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ESTABLISHED 1887

# The Pressure to Enlist Baker Bush Campaign Aide Calls Staff Paralyzed

By Ann Devroy

WASHINGTON — President George Bush's campaign chairman Robert A Mosbacher, leaded the president in a meeting last week that sometime House staff operation was virtually hope, d and he has told associates that Mr. Bush tem herplace his chief of staff, Samuel K. Skin-Eath Secretary of State James A. Baker 3d,

fore, said.

anci Mosbacher said he would not comment on pre-e tells the president, "but it appears a lot of spr people comment on what they think I told abresident."

ar. Baker, he added, "can be part of the solu-a to any problem. I am a big fan, but I am not ocating anything."

Mr. Bush vehemently denied over the weekend iat the general chairman of his campaign had urged him to oust Mr. Skinner, The Associated Press reported from Dallas. "Absolutely not!" he said as he entered his limousine. Then, bene hand on the roof of the car, he repeated it. "Absohttely not!"]

Margaret D. Tutwiler, the State Department spokeswoman, said, "I can categorically deny" that Mr. Baker and Mr. Bush have had any convertibat Mr. Baker and Mr. Bush have had any convertibat Mr. sations about his leaving the State Department to return to the White House, Mr. Baker served as chief of staff for President Ronald Reagan from 1981 to 1984, when be helped direct Mr. Reagan's

Miss Tutwiler said Mr. Mosbacher had not dis-cussed with Mr. Baker his leaving the State De-partment, but acknowledged that the two men had discussed the campaign in casual conversations.

Mr. Mosbacher, one of Mr. Bush's oldest friends and earliest supporters, has not been a central figure in the Bush campaign despite his title.

Republican sources said he had been besieged hy longtime supporters of Mr. Bush around the country, particularly major donors from the early campaigns, who have complained, as one source put it, that the president "looks like he has no agenda, no message, is not leading the country on its domestic problems."

Another Republican official said that watching Ross Perot's climb in the polls has put Mr. Mos-bacher on the warpath against the White House operation headed by Mr. Skinner.

Sources said Mr. Baker had been anxious about the operation of both the White House and campaign, and told Mr. Bush of his worries, but had not suggested any personnel changes. Mr. Baker has told close associates he has no intention of leaving the State Department, but he has been equivocal enough to leave the door slightly open.

Mr. Mosbacher is not alone. Vice President Dan Quayle is said by associates to be dissetisfied. Mr. Skinner has described himself as frustrated about the failure of the president to break out of the

See BUSH, Page 8

### California's Topsy-Turvy Vote

By Lou Cannon and Dan Balz

Washington Past Service
LOS ANGELES — California has long been on
the political cutting edge, but Mervin Field, who
has surveyed public attitudes in this state for 46 years, says he has never seen an election quite like

the one to be held here Tuesday.

Once a symbol of optimism and unlimited promise, California, a recession-bound and riottorn state that is home to one in eight Americans, has become a leading indicator of the nation's political turmoil and alienation. The operative words, says Mr. Field, are "disengagement and

Everything seems topsy-turvy here: A state whose conservatives have long held an iron grip on the Republican Party is now so overwhelmingly supportive of abortion rights, as a Field poll showed last week, that a culturally liberal Republican is given the best chance of winning statewide since Earl Warren was governor in the 1940s and '50s.

A state whose Republicans have often won office by campaigning against civil disorder now to exploit the fears unleashed by the Los Angeles riots with television commercials denouncing mob

• A state that balked at electing a woman governor two years ago might now nominate two women for the Senate and scores of others for congressional and legislative office.

 A state that has voted consistently Republican in presidential elections for more than a quartercentury now displays so much disenchantment with politicians that it has become a leader in the movement to sweep aside both parties and elect Ross Perot president:

California's lingering recession, the Los Angeles riots and the continuing state fiscal crisis have combined to create a sour public mood. The secretary of state is predicting the lowest voter turnout

At stake on the state level are two Senate seats. 52 Honse districts with newly drawn boundaries. state legislative and local contests. All together, the

See CALIFORNIA, Page 8



A Muslim militiaman on Sunday inspecting a small truck that was being used as a makeshift ambulance to carry a wounded woman to the bospital in the Bosnian capital of Sarajevo, where warring factions have announced another cease-fire.

### Serbs Assail **Milosevic As Sanctions** Take Effect

### **Thousands Demonstrate** In Capital, Cease-Fire Is Reached in Bosnia

By Chuck Sudetic

New York Times Service
BELGRADE — About 50,000 anti-government demonstrators crowded streets here Sun-day to mourn the war dead in Bosnia-Herzegovina, as voters across Yugoslavia cast ballots in federal elections that were boycotted by all major opposition parties and denounced by the Serbian Orthodox Church.

Demonstrators jeered and shouted "Slobo Must Go!" outside the presidency huilding, referring to the controversial Serbian president,

Slobodan Milosevic, Polls opened just hours after the United Nations Security Council imposed economic sanctions on the remnants of the Yugoslav Federadon, including a freeze on overseas assets and an emhargo on trade and oil. Only

food and medicines were exempted. In Bosnia-Herzegovina, warring factions agreed to a new cease-fire, which takes effect fonday in the hattered capital, according to reports from Saraievo. Diplomats said the sanctions opened the way

The Yngoslav war reveals U.S.-Europe strain over who did most or least to stop it. Page 8.

Soccer authorities ban Yagoslavia, but Monica Seles can stay in the French Open. Page 21.

for the possibility of military intervendon if Serbian forces did not halt their military actions in multiethnic Bosnia-Herzegovina.

In addition to calling for the establishment of "security zone" around the Sarajevo airport to allow emergency supplies to be flown in, the resolution committed the Security Council to "consider immediately whatever necessary further steps to achieve a peaceful solution in conformity with relevant resolutions.

The resolution was adopted with 13 votes in favor; Chino and Zimbabwe abstained. But it made oo specific reference to using force.

Some council members are informally discussing the possibility of a naval blockade of the Acrietic ports and of closing Bosnian airspace to Serbian planes supporting forces there.

Taken together with the comprehensive oan oo commercial and financial links imposed on the second time the council has taken punitive action against an aggressor oation since the end

of the Cold War.
The embargo, which closely resembles the Iraq sancoons, requires all the countries of the world to cease trading in any commodity, including oil, with the federation formed by Serbia and Montenegro and to freeze its foreign

Air traffic links to and from the embargoed country must also be suspended and no one may repair, service, operate, insure or provide spare parts for aircraft registered in Serbia or

Montenegro.

The Serbian government can take many steps to demonstrate that it has changed its ways," a Western diplomat said.

"For a start, Serbian leaders must unilaterally end bomhardments of Sarajevo, Mostar and other towns and cioes in Bosnia-Herzegovina. the diplomat said. "Then they must uncondi-tionally open up Saravejo airport and lift their blockade from the republic's roads to allow for the delivery of humanitarian aid."

There must also be active measures taken for the return of refugees to their hnmes," the diplomat said, adding that Serbian leaders are expected to see to disarming of Serbian paramilitary groups to Bosnia-Herzegovina. many of which are clearly outside any poliocal or military control. Their weapons came from the Yugoslav Army.

Officials of the United Nations peacekeeping forces in Sarajevo won agreements from Serbian leaders in Bosnia-Herzegovina's government Sunday for a new cease-fire scheduled to begin

See SERBS, Page 8

### Main Iraqi Nuclear Plant Destroyed

VIENNA (AFP) — Destruction of the key structures of Iraq's nuclear program will be finished within a few days, a spokesman for the International Atomic Energy Agency said Sunday. He said the agency's inspection team in Iraq had witnessed the complete destruction of Iraq's main nuclear plant at Al Atheer on Saturday.

The 20-inspector team went on Sunday to Ash Sharqat and Tarmiyah to supervise initial steps of the dismantling of installations used to enrich uranium. These plants were partly damaged in allied bombing during the Gulf War.

The spokesman said that "the key structures" of the Iraqi nuclear program will have been destroyed before a final visit by inspectors the will oversee the last stages of the dismanting process.

be Mideast's arms suppliers ed to reach accord at U.S.spired talks. stroversy crupted at the dedtion of a London monument an RAF war leader. Page 2. ongress digs in for a round of lak over an evacuation bunker

Britain's economy is poised to

### Business/Finance

recover after nearly two years of decline, reports say. Page 11. CBS plans to charge its affiliate stations fees to carry certain television programs. Page 13.

# Heat but No Light

### By Boyce Rensberger Washington Part Service

WASHINGTON - With most of the world's heads of state due to converge on Rio de Janeiro this policy on coping with global warming most of the scientists who spe-ialize in the subject still cannot gure out whether anything unusuis actually happening to the

Scientists generally agree that it has been getting warmer over the last hundred years, but the average rate of change is no greater than in cantunies past, and there is no consensus that human activity is the cause. And although there is no doubt that continued emissions of greenhouse gases" tend to aid warning, it is not clear that cutting back on emissions could do much to stop a natural trend, if that is

what is happening. Seldom, in fact, has an issue risen to the top of the international political agenda while the facts of the matter remained so uncertain. In the single most comprehen-tive effort to synthesize the state of tentific knowledge about global tining for example, the United tions Environment Program the World Meteorological Orization called together several idred working scientists from 25

thies - most of the top spe-

ensive report on the situation.

On Earth Summit That group, the Intergovernmental Panel on Climate Change, produced a 365-page report in 1990 that was the scientific basis for a climate treaty to be adopted in Rio. It concluded that the future warming rate could speed up considerably, with Earth's mean temperature climbing about 2 degrees Fahrenheit (1.12 degrees centigrade) by 2025 and 5 degrees by 2100.

That report gave impetus to one of the most ambitious international efforts ever undertaken, yet when read closely the document gives

One of the summit session's organizers sees "reasonable opti-Page 2. mism" for success.

only two conclusions it calls "cer-

• There is a natural greenhouse effect that keeps Earth warmer than it would otherwise be. It's been operating for billions of years, as scientists have long known.

• Emissions of greenhouse gases from human activities are pushing up the concentration of those gases in the atmosphere. That, too, has been known for decades.

With less confidence, the scientists said there was fairly reliable evidence that the average tempera-ture of Earth's surface had risen by about I degree Fahrenheit over the last hundred years and that sea which, THA 14416/1 and asked them to write a comlevel has risen by 4 to 8 inches (10.2

See WARMING, Page 9

### Once a High-Tech Pariah, East Is Courted to Join the Club The United States and Germany be-

By Stuart Auerbach

Washington Post Service
WASHINGTON — In another sign that the Cold War is over, the United States and Germany will seek Monday to invite the old and new nations that emerged from the Soviet empire to join the agency that for decades kept high technology out of their hands, according

to Bush administration officials. The expansion of the Coordinating Committee for Multilateral Export Controls, known as Cocom, will be aimed at what officials here see as a new threat: the spread to such countries as North Korca, Libya and Iraq of the technology needed to make nuclear, chemical and

By Joseph Fitchett International Herald Tribune

has unveiled fresh details of its planned

anti-missile system to allied govern-ments, apparently because Washington

hopes to woo Europeans about the plan before discussing it with President Boris N. Yeltsin in late June when he visits

Terms for Russian support for the idea

of space-based defenses are likely to be

the major security issue in his talks with

PARIS - The Bush administration

biological weapons, as well as missiles. This technology includes computers, machine tools, measuring instruments

and telecommunication equipment.

Controlling chemical and biological weapons programs is more difficult because many of the materials and equipment used in their manufacture also are involved in such everyday products as

Secretary of State James A. Baker 3d, in a letter to the Western allies making up Cocom, urged creation of a council that would bring the Commonwealth of Independent States - the renamed remnants of the Soviet Union - and the East Europeans into a venture with the West to

President George Bush. If Moscow drops its objections to anti-missile defenses,

the U.S. program becomes a political

By cutting a deal at the U.S.-Russian

summit meeting, Mr. Bush could force the hands of European governments that have been skeptical about a space-based

system that could change many of the ground rules of international security.

Eleventh-hour recognition that a bilat-

eral deal might cause allied distress prompted Washington to dispatch a

near-certainty.

control potentially dangerous technology. Mr. Baker described an expanded Cocom as a way of "building bridges" to the East that would allow both winners and losers in the Cold War to cooperate in dealing with new threats.

Although Mr. Baker did not say explicitly what these new threats were, se-nior officials said he was alluding to risks that weapons of mass destruction might spread to Third World countries.

Germany, stung by disclosures that some of its companies had been helping Iraq and Libya in clandestine weapons

programs, took the lead among Europe-ans in pressing for Russian and East European participation, officials said.

ficial responsible for security programs.

post for interceptor missiles.

Now European governments have

The briefings, according to officials

who took part, left open the question of

Son of SDI: Bush Woos Europe to Win Russia large interagency team 10 days ago to Europe. The group is led by Reginald Bartholomew, the State Department ofwhether the command posts will be international undertakings or purely U.S. ventures. Even so, the allies got a much

gan studying the proposal more than two

years ago, after Iraq invaded Kuwait.

But the discussions were kept quiet, lest

developing nations interpret them as an

The Cocom meeting is in Paris on Monday and marks the first time the

Administration officials said France

eemed cool to the idea of expanding

Cocom, which controlled technology

to the Eastern bloc for 40 years, is com-posed of all members of the North Atlan-

tic Treaty Organization except Iceland,

attempt to deny them technology.

talks have surfaced officially.

Cocom and might resist.

plus Japan and Australia.

system, which the Pentagon hopes to been told that U.S. plans call for a sysdeploy by 1997. tem focused on two centers: initially, one For the allies, the anti-missile program to provide early warning of ballistic missile-launches and, later, a global anomissile center to serve as the command known as global protection against limited strikes, or GPALS — overshad-ows all other U.S. military investments

more detailed picture than any publicly available in the United States about the

See DEFENSE, Page 2

### Bootleggers Thrive, Sturgeons Flounder As Caviar Cartel Splits

By Michael Dobbs Washington Post Service

ASTRAKHAN, Russia - Munching casually on a sandwich crammed with several hundred dollars worth of caviar, the tanned Volga River fisherman explained why the food of czars and millionaires is in danger of extinction.

If women were subjected to the same treatment as sturgeon, "poisoned with pesticides and their stomachs ripped open before they could have children, naturally mankind would be threatened It's the same with sturgeon," said Alexander Ivanov, speaking of the fish whose black eggs are one of the world's most expensive delicacies. "And now they can't even agree who all this caviar belones to."

Already menaced by a string of ecological disasters, the long-snouted sturgeon is rapidly becoming the latest victim of the collapse of the Soviet Union. Over the last six months, four new independent states and two autonomous regions have appeared around the Caspian Sea, which has more than 90 percent of the world's sturgeon stocks. The tightly regulated caviar-producing cartel formed by Moscow and Tehran has burst wide open.

The spring caviar harvest is under way around the Caspian as the sturgeon, who live in salt water most of the year, swim upriver to freshwater spawning grounds. Fish inspectors and conservationists have been watching helplessly as a motley cast of Russian poachers. Azerbaijani mafia bosses and Turkmen bureaucrats muscle their way into the locrative business. "Central authority has disappeared," lamented Vladimir Ivanov,

director of the Fisheries Research Institute in this city at the mouth of the Volga. "People are living by the law of today: Catch whatever you can and don't care about tomorrow. If things are allowed to go

See CAVIAR, Page 8



### Radical Students Briefly Take Over Central Seoul

Students running through a cloud of tear gas as the riot police counterattacked on Sunday in Seoul after tens of thousands of students broke through police cordons to briefly take over the center of the city in the largest anti-government demonstration this year. About 30,000 students from 180 universities and colleges marched from a campus in eastern Seoul. chanting and waving flags but, in a departure from their usual practice in recent years, hurling no rocks or gasoline bombs.

### U.S. Says It Won't Sign Wildlife Treaty

WASHINGTON — The United States says it will not sign an international treaty recently negotiated by 98 countries to preserve the world's plants, animals and natural

The treaty, which was the product of nearly two weeks of intense negotiations in Nairobi in mid-May, is considered one of the two main achievements of the UN Conference on Environment and Development, which begins Wednesday in Rio de Janeiro.

The other focus of the meeting, a proposed treaty to light global warming, was accepted by the United States, but only after the administration persuaded other countries to

curbing emissions of carbon dioxide.

The administration's decision on the treaty preserving plants, animals and natural resources, known as the biological diversity treaty, is almost certain to be followed by "no" votes from Japan and many European

nations, according to early indications.

The actions of President George Bush and nther leaders of the industrialized world are likely further to roil an international conference that many had hoped would make repairing the health of the planet a central political goal.

U.S. approval is essential to the climate treaty, because it is the world's largest indus-

drop their insistence on a strict timetable for trial emitter of carbon dioxide. But the biodiversity treaty protects natural resources that are distributed among many nations. It will come into force with the ratification of 30

> Nevertheless, the United States appeared to be sensitive to criticism of its refusal to sign. As if anticipating criticism, the administration announced its rejection of the treaty Friday, too late for many media deadlines.

And then, almost simultaneously, the White House announced that the United States and Germany were preparing a sepa-rate international plan intended to develop economic and technical practices for preserv-

### Earth Summit: 'Reasonable Optimism'

The Earth Summit, formally known as the United Nations Conference on Environment and Development, opens Wednesday in Rio de Janeiro to seek agreement on measures to halt destruction of global resources ranging from oceans to the atmosphere. In Singapore, Tommy T. B. Koh, chairman of the preparatory committee for the meeting, spoke with Michael Richardson of the International Herald Tribune.

Q. What are the prospects for constructive progress and concrete agreements in Rio?

A. I am reasonably optimistic that the Earth Summit will arrive at fair and balanced agreements nn all the majnr issues, namely, the Rin Declaratinn on Environment and Development; a plan of action called Agenda 21, including agreements on financial resources and transfer of technology; a statement of principles on forests, and agreement on the post-Rio institutional process to monitor and coordinate the implementation of Agenda 21

Q. Is that enough? Hasn't the planet al-ready been pushed, by population increase, spreading poverty and wasteful use of resources, beyond the limits of sustainable

A. There is no credible scientifie evidence in suggest that we have passed the limits of sustainable growth. The evidence seems to suggest that we are dangerously close to those limits and that it is time for all of us to wake up to the danger. We must collectively take urgent actinn to turn from the path of unsustainable development towards the road of sustainable lifestyle.

Q. What is at stake at the Rio meeting? A. Ultimately, the survival of the human-kind on planet Earth.

By Jane Perlez New York Times Service

MUSHA, Rwanda - For seven

years Vestine Mukamunana has

been battling, largely unsuccessful-

ly, to encourage family planning among the impoverished peasants

around ber health center here, in

Africa's most densely populated

Of the many obstacles she faces,

she says, the greatest is the opposi-

tion of men. Even more than in

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Q. The United States, the world's major polluter, recently refused to sign a treaty to combat global warming that set specified targets governments must meet. Is Washington doing enough to promote sustainable omic development at home and abroad?

A. Many people were extremely disap-pointed that the recently adopted Conven-tinn on Climate Change contains no teeth. I MONDAY O&A

share their disappointment. The convention does not commit countries, especially devel-oped countries, to reduce nr stabilize their existing levels of carbon emission.

The situation is not, however, hopeless. Take the efforts of the international comminity to protect the ozone layer. The first step was to adopt the Vienna Convention. Like the Climate Change convention, the Vienna agreement was also toothless. Yet, two years after its adoption, governments added to it the Montreal Protocol which is a very effective legal instrument. In the same way, I hope that when the time is ripe the international community will adopt effective protocols on each of the greenhouse gases.

Q. The secretariat of the Earth Summit has calculated that the cost of printecting the environment will be around \$600 billion a year in developing countries alone, with \$125 billion of this amount coming in the form of aid from developed nations. Is the world anywhere near agreement on who is to foot the hills?

A. We must forge a new global partnership to promote sustainable development. Developing countries must rely, first of all. on themselves. However, they will need the help of developed states. I bope that in Rio agreement will be reached on the difficult question nf financial resources

In Rwanda, Overpopulation's Bitter Crop

people, or 720 per square mile, packed onto virtually every piece of

If the population grows at its

current rate, Rwanda's Environ-

ment Department says, the nation

will have 15.6 million people by

2010. The population is over-

whelmingly rural, scratching a liv-

ing from agriculture, and experts at

the department say the land cannot support that number of people.

per woman in 1989.

she predicts the world's popula-

billion. But this forecast is based on

arable land.

toil at most of the agricultural jobs.

More than half of the women re-

main illiterate and the fertility rate

their wives using contraception," said Mrs. Mukamumana, a nurse at the clinic here 65 kilometers (40

miles) southwest of Kigali, the cap-

"They want eight children. And

it's a cult of egoism. They believe if

their wives take pills, they will be-

come weak and won't be able to

work in the fields. And then the

Rio de Janeiro on Wednesday for

the Earth Summit environmental

conference, the effect of population

on the environment and develop-

ment will be nn the agenda, but in a

more muted form than population

experts would like. The issue is re-

ferred to only obliquely in the draft

of the Rio declaration, in which

countries are urged in adopt "ap-propriate demographic policies." Yet demographic experts continue

to issue dire warnings about the

tions Population Fund, Dr. Nafis

Sadik, complained last month that

the Vatican had successfully lob-

bied against any mention of family

planning and access to contracen-

tion in the "action programs" that

will be made final at the Earth

Rwanda, a hilly country of about

25,800 square kilometers (10,000

threat of overpopulation. The director of the United Na-

When the world's leaders meet in

men would have to work."

"Most of the men won't accept

is the highest in the world.

Q. Aren't developing countries asking in-dustrial nations to cut back consumption and send massive infusions of aid to poorer states for environmental purposes without any condinons attached?

A. First, it is in the interests of the developed nations to adopt a sustainable lifestyle. It is not something which the South is imposing nn the North. Second, the new global partnership I have called for must be based on mutual commitments. The North will extend its helping hand to the South in ex-change for the South's belping hand.

Q. What role to you see at Rio and beyond for private business and nongovernmental organizations in hringing the world back to a more sustainable growth path?

A. I foresee a very important role for business and NGOs. We will not succeed in achieving the goal of sustainable development unless we have the full cooperation of the business community. We need the private sector's help in inventing environmentally sound technology, in replacing environmen-tally harmful technology and products with environmentally friendly ones, and in making protection of the environment part of the policy of every corporation.

In the same way, we will not succeed unless the NGOs help governments in changing public opinion and modifying the behavior of consumers, schools, neighborhoods and com-munities. The aim must be to make every

person a green citizen.

Q. If the Earth Summit is not to get lost in a cloud of rhetoric, what follow-up arrangements should be put in place?

A. Rin cannot solve all problems. It can only solve some of them. It is therefore very important to establish a credible institutional process to monitor, review and coordinate the molementation of decisions reached in Rio.



Britons protesting the unveiling of the Harris monument.

### Controversy Mars An RAF Dedication

By Glenn Frankel

H'ashington Past Service don as aging Royal Air Force veter-ans gathered to bonor a leader whom many revere as a hero but others call a war criminal,

In front of Queen Elizabeth the Queen Mother and a host of dignitaries, members of the Bomber Command Association unveiled a statue of Sir Arthur Harris, nick-named "Bomber Harris," the air commander who designed and carthat leveled dozens of German cities and killed 600,000 civilians during World War 11.

ft was a simple but highly emotional ceremony - one dubbed "private" by the government, which said it took no official part.

But the presence of the Queen Mother, along with former Prime Minister Margaret Thatcher, Air LONDON - Europe's blood- Chief Marshal Sir Peter Harding of stained past and its uncertain fu- the Royal Air Force and a jurior ture collided Sunday in front of a defense minister, gave the occasion small church in the heart of Lon-don as aging Royal Air Force veter-that has deeply angered many Ger-

Hundreds of Germans gathered in Cologne and Dresden, two of the worst-bit cities, to honor the civilian dead of all nations. In Cologne, where 50 years ago Sunday the first British bombs fell, the British ambassador, Christopher Mallaby, joined the mayor in a gesture of

peaceful solidarity.

More than 55,000 of Bomber
Command's 125,000 "bomber boys" died during the three-year air campaign, and bundreds of their comrades gathered at St. Clement Danes, the RAF's official church, to pay tribute to them and to Sir Arthur, who died in 1984.

### disease or war wipes out large nummost African cultures, men are su- threat of overpopulation, which bers of people. In Rwanda, women not only do preme in Rwanda, where women Mrs. Mukamunana believes is ried out the saturation bombing caused by the subservient status of

women. Rwanda has 7.2 million all the working of the land and the fetching of wood and water, but also the cooking and cleaning. Most Rwandans cannot afford

fertilizer. And as the soil yields less, malnutrition among the ever-grow-ing number of children increases.

### DEFENSE: Allies Get Details of Anti-Missile Plan

(Continued from page 1) because of its manifold implica-

Africa was sparsely populated until the turn of the century. But in the last 30 years, the population of ogy systems critical for military susub-Saharan Africa has risen from periority, the program addresses the problem of missile attacks by 200 million to 450 million. According to the World Bank it is expected small powers — a threat to Europe from the Middle East. to reach about 800 million by the

end of the century. Russia has even stronger reasons to cooperate: Beside wanting pro-The fertility rate in sub-Saharan Africa, 6.2 births per woman of tection, it hopes to supply spacechildbearing age, is the highest rescanning radars to the system. gional rate recorded by the United Moscow could remove the main

Nations. In Rwanda, the World hurdle for U.S. anti-missile defense by agreeing to amend the bilateral Anti-Ballistic Missile treaty and Bank reported a rate of 8.5 children In her annual report, issued in April, Dr. Sadik pushed forward by two years, 10 1998, the date when permit interceptor rockets to be deployed in many places instead of the treaty's two-site ceiling.

Longer resistance to the new tion, now 5.4 hillion, will reach 6

program may come from European allies, partly because of their sour experience with its predecessor, the Strategie Defense Initiative.

the assumption that developing nations can reduce their birth rate With the exception of Israel, which made tangible progress to-ward its own anti-missile rocket, from 3.8 to 3.3 children per mother by 2000. If this is not achieved, the world's population will reach 12.5 billing by the middle of the next allied governments feel that they they were diddled over SDI besquare miles), is testimony to the century, unless mass starvation.

industrial payoff.

The global protection program seems destined for a better fate, partly because the Bush administration is not pushing it stridently and partly because European capitals are judging it pragmatically,

not ideologically.
Unlike SDI's promise of an impervious shield, the new program basically involves satellite sensors feeding data in land-based missiles protecting chosen sites. A more amhitious version includes the socalled Brilliant Pehbles - 1,000

missile-killing rockets in nrbit. While opposing Brilliant Peb-hles, even most of the Democratic congressional majority support the idea of missile defenses tn discourage rogue countries from even trying to build missiles capable of hit-

ting U.S. targets. Despite its momentum in Washington, the new program made little overt headway in Europe last week, U.S. and European officials said. But many objections concern the timing, not the program itself,

cause they never got any military or as witnessed by the discussion in

several countries, including:

Britain, which supported SDI to escalate the arms race beyond the Soviet Union's ability to compete, feels that the new program is premature because it offers too much military help too soon to Moscow.

British officials fear that the program could strain NATO cobesion —and give Moscow technology — before it is clear that there will be no resurgent military threat from

• France, which boycotted SDL is publicly opposed to the new pro-gram, ostensibly because Paris believes the West should be concentrating publicly nn disarmament. nnt nn new weapons.

But strategic planners want to adapt France's nuclear arsenal to deliver limited strikes against any rogue nation threatening French vital interests. The ideal tool for targeting French weapons would be the new system's precision mapping of the Earth's surface via satel

 Germany, the leading nonnu-clear backer of SDI, was bitterly disappointed by the lack of industrial fallout from SDL

Fears that the new program will prove equally unproductive far allies, in terms of profitable subcontracts or technology transfer, dominated German reactions during the U.S. briefings last week.

Longer term, however, the program may offer the best hope for Germany - which does not want to acquire its own nuclear weapons - to obtain protection against nu-clear missiles that might turn up in neighboring countries.

The Associated Press

BONN - Karl Carstens, 77, a weeks ago.

Despite his membership in the in unifying Europe.

A German army officer from 1939 to 1945, he was harshly criticized for his Nazi party affiliation. Mr. Carstens said his membership was a formality and that he was not an active member of the party. Others defended him, pointing out that many Germans who served during World War II had become good

### WORLD BRIEFS

### ANC Vows 'Unprecedented' Action Unless Deadlock in Talks Is Broken

JOHANNESBURG (WP) — The African National Congress announced plans Sunday to increase its pressure on the government through "unprecedented mass action" that could include occupying parliament and other official buildings in order to accelerate the end of white

Ending a four-day day policy conference, the ANC emerged with a new militancy and readiness for confrontation in the streets with President Frederik W. de Klerk if the deadlock in constitutional negotiations is no broken by July.

"It will be imprecedented mass action, said the ANC secretary-genera Cyril Ramaphosa. "It's going to be rolling mass action. Regoing involve a whole lot of forms of mass action that our people have used the past and new forms of action."

Asked whether the "mass action" might not lead to a major escalation in political violence, the ANC president, Nelson Mandela, sapped, "the government does not cooperate, they must be prepared for immost this country. That is the lesson of history in this country."

### Kohl Allies Seek to Keep Jet Alix

BONN (Renters) --- Chancellor Helmut Kohl's rightist codurged the government Sunday not to make a hasty decision to from a four-nation European project for a common jet fighte Finance Minister Theo Waigel, head of the Bavarian Chris Union, suggested in a newspaper interview that a decision of several more years. There is concern about the loss of jobs and

high technology.
Officials have said Defense Minister Volker Rühe will recomm Bonn abandon the fighter as too costly. He is to meet Monda military experts from the three coalition parties.

### Afghan President Rejects Accord

KABUL (AP) — The caretaker president, Sibghatullah Mojaddidi, of Sunday rejected demands for the withdrawal of all security forces from Afghanistan's capital in a move likely to heighten the power struggle within the new Islamic government.

Mr. Mojaddidi said the accord reached last week between the rival

mujahidin leaders Gulbuddin Hekmatyar and Ahmad Shah Masoud was not binding on his government, which wants to maintain its own security

The agreement was aimed specifically at a fierce Uzbek militis that belped keep Mr. Hekmatyar's forces from seizing power.

### Rights Group Alleges China Abuses

BELING (AP) — Participants in China's 1989 pro-democracy movement have been tortured, held in solitary confinement and committed to mental institutions, Asia Watch reported Sunday.

The human rights organization, based in New York, issued a 180-page profile of dissent and repression in Hunan Province, scene of some of the largest pro-democracy protests outside Beijing in 1989. It said more than 1,000 people were detained in Hunan during and after the protests, and at least 151 still were in just or in labor camps.

The report was issued just before the third anniversary of the June 3-4

arroy attack on Beijing's protesters. The report was based largely on ar account by the leader of Hunan's student protesters, Tang Boqiao, who was jailed for more than a year and then fled China. He reached the United States in April. Asia Watch said it corroborated and supplement ed Mr. Tang's account through other sources, many still in Hunan.

### For the Record

Willy Brandt, 78, the former West German chancellor, has left a clinis in Cologne after his second operation for colon tumors since October, the newspaper Bild reported Sunday.

### TRAVEL UPDATE

Two Paris purseums, the Louvre and the Musée d'Orsay, were closes Sunday because of a strike by security guards demanding more mone and better working conditions, the Culture Ministry said. The Orsay als was closed Saturday by the strike.

London City Airport will get a boost this week when City Air Scandina via becomes the second airline to fly jets in and out of the airport is London's eastern docklands. Poor transportation links have kept passen ger numbers at around 200,000 a year, one-sixth of capacity and weight the basels are point.

below the break-even point.

(Reuters
McDonald's inaugurated dining service on some Swiss trains Sunds; Two red dining cars bearing the Golden Arches tra on the Geneva-Basel route and the other on the Geneva-Brig run. (AF.

### This Week's Holidays

The Weather

Banking and government offices will be closed or services curtailed it the following countries and their dependencies this week because national and religious holidays:

MONDAY: Brunci, Colombia, Ireland, Kenya, New Zealand, Venezuela. TUESDAY: Bhutan. THURSDAY: Ghana, Iran.

FRIDAY: Bahamas, Denmark, Equatorial Guinea, Hong Kong, Iran, Mac

SATURDAY: Malaysia, Monaco, South Korea, Taiwan, Uganda SUNDAY: Israel

Sources: J.P. Morgan, Reuter

### The State Is Humbled, but Swedes Adjust

By Marc Fisher

Washington Post Service STOCKHOLM — Maria Jilken's new Octopus alternative day care center in a suburb of Sweden's capital city requires parents to do maintenance work, closes for weeks at a time, pays some teachers less than do regular schools, meets for fewer hours a day and provides the children with less supervision. Still, the school's waiting list is so long that Miss Jilken has had to cut it off.

In Sweden, the idea that parents might want to spend more time with their children and get more involved with their schools nts a radical change from the welfare state philosophy that made this country the darling of generations of dreamers through-out the Western world. But these are radical times in Sweden,

which spent decades creating a political and social utopia that made the country a model of socialism that worked. The system has now been declared dead and is being buried with the most cursory of honors.

Last autumn, Swedes fed up with the world's highest tax rates and an increasingly trouhled economy ousted the Social Democratic Labor Party, which had controlled the government for all but 6 of the previous 59 years. They elected a divided parliament that yielded a minority government under Prime Minister Carl Bildt, Mr. Bildt, 42, is a conservative whose market-nriented rhetoric sounds like a Ronald Reagan speech.

"The age of collectivism is at an end now," Mr. Bildt promised in his inaugural address. "In our Sweden, society will always mean something more than the state." Mr. Bildt pledged to dismantle huge swaths of the social welfare system, giving Swedes the right to child care and housing. Miss Jilken's Octopus school is based on

the view that Sweden's social welfare system has produced a nation of people who believe government will do everything for them. In this view, the people's initiative and responsibility have been sapped by life in a society where everything from low rents to good jobs is guaranteed and served up by the omni-

"In the regular schools, everybody does the same thing at the same time, because everyone is supposed to be equal," Miss filken said. "Our children choose what they want to do and learn to be responsible for themselves. We Swedes never had to do that; we always blamed society. It's time to admit there are limits. You only have so much and that's all."

Emboldened by such supporters, Mr. Bildt began his term by announcing tax cuts, "a revolution of freedom of choice" and the beginning of the end of Sweden's cherished neutrality Actually, it turns out that the vaunted

Swedish neutrality was not quite what it claimed to be. The Bildt government revealed a week ago that as early as the 1950s, Sweden secretly worked with the North Atlantic Treaty Organization to make its defense compatible with Western military forces. Swedish runways were widened so NATO fighters could land on them in the event of conflict with the Soviet Union. Any pretense of neu-trality vanished last year when Sweden applied to join the European Community, which plans to pool its resources in a common foreign and defense policy.
In a country where more than 40 percent of

workers toil either directly for government or

choose their own family doctors, schools, for the 60-odd corporations and banks that the government owns, a move to reduce the role of the state has most business people

"I hope they will be able to stay the course," said Peter Wallenberg, vice chairman of Skandinaviska Enskilda Banken and scion of one of the country's wealthiest families. "This is a revolution, and people do see it as a threat. In the past 50 years, we created in this country about the biggest welfare state ever seen. But it was done at the expense of the economic awareness of every citizen. People really had no idea of the cost of every-

For example, government subsidies paid 60 percent of housing costs, leaving Swedes ascustomed to artificially low rents. The Bildt government is gradually reducing housing subsidies, which are to be eliminated by 1999. A tax code that routinely claimed half of people's income - and often much more -

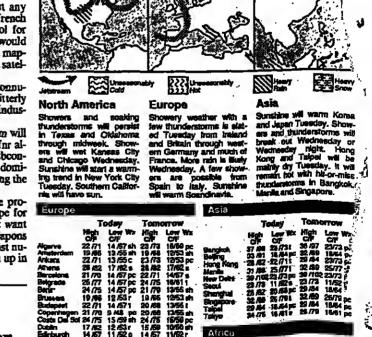
made it pointless for entrepreneurs to expand The work force's absenteeism rate was routinely 25 percent. The new government has moved to attack the "long-weekend syndrome" by abolishing sick-leave compensation for the first two days of absence, but the massive trade union confederation is fighting

Many individuals have welcomed the changes as a fresh breeze. "The idea of trying to make everyone equal burt the smarter children and the most creative adults," said Anders Jilken, board chairman of the Octopus school. "Our best people left the country for university in America or Australia, or for jnbs in Europe. Now we have new rules, and that's going to be hard."

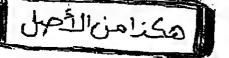
### Carstens Dies. Ex-Bonn Leader

former president of West Germany who came under criticism for a Nazi past, died Saturday. The cause of death was not given, though he suffered a stroke two

Nazi party during World War II, Mr. Carstens helped build good postwar relations with the United States and played a significant role







In an Already Bizarre Campaign, Texan's Run Spurs Much Speculation

By R. W. Apple Jr.

New York Times Service

SAN FRANCISCO — By its
very existence, Ross Perot's unannounced independent are idential nounced independent presidential campaign promises the unconven-

Mr. Perot is a businessman, not a politician. Even in a day of wealthy candidates, he is richer than anyone else in sight. He has devised a kind of self-nominating process, rooted in appearances on television talk shows. And he has taken the lead in national opinion polis, something no other presidential hopeful outside the two-party system has ever managed.

Earlier in the contest, even before Mr. Perci's sudden appearance on the political stage, a sitting president was embarrassed by a speechwriter turned pundit, and a shy, little-known former senator made a credible run at the Democratic nomination.

Not a very good year so far for the conventional wisdom, and only the uncharted territory of a threecornered campaign lies ahead, involving a peevish electorate, two weakened major-party standard-bearers and the dependably volatile Mr. Perot.

After a month of Perot mania some political people are awed, some are learful, some are angry and some are skeptical. All are paying attention, and nearly all are speculating about what may hap-

Begin with the when-will-hestep-in-a-hole proposition. Repub-ncan and Democratic professionals alike keep wondering how long Mr. Perot can keep going.

Will there come a moment, they keep asking, when he will say something that scuttles his chances as quickly as a comment about brainwashing" in Vietnam scut-tled those of another husinessmannumed-politician, George Romney,

Some think Mr. Perot will make misstep, and it will finish him. Some think he will make a misstep,

and it will change nothing.

Some think he will avoid the potholes. A few think he has already unpped, with his remark in an interview with Barbara Walters taped on Thursday night about excluding homosexuals from some high govemmental posts; they see him sliding away from the generalities that marked his early campaign, down

the shippery slope to specificity. What about the third-force vice presidential nomination? Like most putative presidential nominees, Mr. Perot needs to find someone who helps him with at least one segment of the electorate without burting him with others.

. He also faces the problem of snading the person whom be chooses to accept. Few Republicans or Democrats turn down an appeal from their party's nominee. even in an era of diminished party loyalty. Running with Mr. Perot would be a bit of a leap in the dark.

"A general would do fine," said a Republican senator who was glad to play the game as long as he was not quoted. "Americans like generals - George Washington, Ulysses Grant, Ike. But the list isn't long this time."

For political purposes, it has two names on it: General Colin L. Powell, chairman of the Joint Chiefs of Staff, and General H. Norman Schwarzkopf, retired, who was the commander in the Gulf War. Neither has shown much interest in the Perot candidacy, and General Powell is otherwise occupied just now. You need someone who knows

### Perot Could Win, **Buchanan Says**

WASHINGTON - Patrick Buchanan, the conservative columnist who challenged President George Bush for the 1992 Republican presidennal nomination, said Sunday that Ross Perot could be the man to beat in the presidential race.

Mr. Buchanan said Mr. Perot. who is expected to make his candidacy official in a few weeks, stood a chance of capturing the presidency, we say, "Mr. Buchanan said on NBC News when asked whether Mr. Perot could win. What the country is saying is that it does not want a second Bush administra-

At the same time, Edmund G. (lerry) Brown Jr., who has fought a losing battle for the Democratic nomination, said it looked as if his pari; was headed for defeat if it nominated Governor Bill Clinton of Arkansas. Referring to the last two unsuccessful Democratic campaigns. Mr. Brown said, "It looks ike we're neaded down the same path of Jereat."

1



his way around Washington, not a run-of-the-mill politician, a blunt talker like Mr. Perot, someone voters consider competent," said Willie Brown, the speaker of the California Assembly.

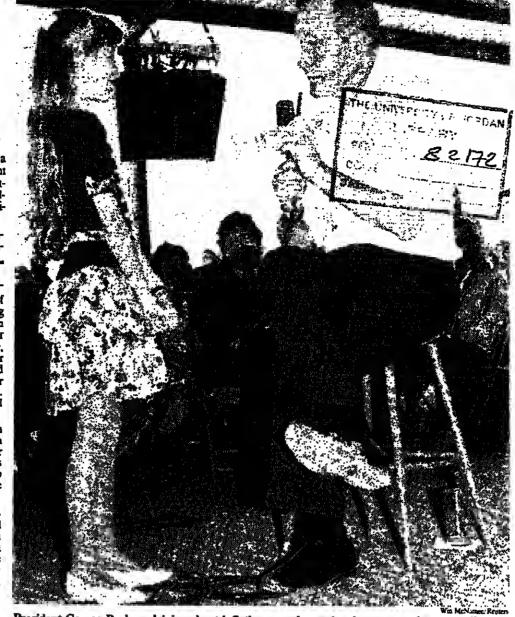
That description might fit Senator Warren E. Rudman, Republi-

### **NEWS ANALYSIS**

can of New Hampshire, a kind of outsider's insider who is quitting Congress because of frustration with legislative gridlock, or another retiree, Lee A. Iacocca of Chrysler, or Jeane Kirkpatrick, the former U.S. representative to the United Nations, or even former Senator Paul E. Tsongas of Massachusetts. Perhaps the next big surprise will not come from Mr. Perot at all.

Perhaps, as Representative Jim Leach of Iowa, a lonely Republican heretic, has been suggesting for months, Mr. Bush will decide he is in such trouble that he must dump Vice President Dan Quayle despite his promises never, ever, to do so.

"I hear around town occasionally that George Bush is going to pull out himself, like Lyndon Johnson in 1968," said Lloyd N. Cutler, a lawyer in Washington who is active in Democratic politics and who has been talking to Mr. Perot a lot. But having run that up the flagpole. Mr. Cutler hauled it back down. "I don't believe it," he said. "It's not Bush's character to do some-



President George Bush explaining about inflation over the weekend to a young listener in Fresno, California, during a two-day campaign swing through the state preceding Tuesday primary voting.

### Congress Armors for Flak on Bunker

By Robert D. Hershey Jr.

New York Times Service
WASHINGTON — When it was reported last week that the government had a bunker at a luxury resort in West Virginia to which members of Congress would be evacuated in a nuclear war, the lawmakers had more to fear than the disclosure of a closely guarded national security secret. There were fears of political fallout as well,

The existence of the bunker was published in the Sanday issue of The Washington Post Magazine, which was printed in advance, It was first disclosed in a report in the Washington Times on Friday, which cited The Post's upcoming article.

Congressional leaders of both parties promptly issued a statement saying they had tried to persuade The Post not to publish the article, adding that "the effectiveness and security of the program would be jeopardized, if not terminated."

Already sensitive to criticism of check overdrafts at the House bank, members of Congress are hracing for campaign complaints that they intended to ride out an attack amid the five-star splendor of the Greenbrier, a 6,500-acre (2,626-hectare) resort in White Sulphur Springs, "Foley's office was just kind of spastic about it," said a spokesman for another mem-

ber, who gave the appraisal on the condition of anonymity, referring to Thomas J. Foley, Democrat of Washington and the House

The articles describe the hunker as selfsufficient in water, electricity and sewage treatment for as many as 800 people. Only a few members of Congress were ever briefed about the bunker, which was built between 1958 and 1961 and is described in the articles as spartan. None could be found Saturday who had even known of the underground part

The former House speaker, Thomas P. O'Neill of Massachusetts, is quoted in The Post's article as saying he "kind of lost interest" in the evacuation site when he was told he would not be allowed to take his family.

Leonard Downie Jr., executive editor of The Post, said the decision to publish reflected a conclusion that this was "a historically significant and interesting story that posed no grave danger to national security or human life," the standard he said the paper used such circumstances.

The disclosure seems likely to doom the hunker as one of the government's principal evacuation sites.

Representative Richard A. Gephardt of Missouri, the House Democratic leader, opposed the publication but issued a separate statement calling the bunker a relic that had clearly outlived its usefulness.

### **Progress** Is Hailed In Canada **Unity Talks**

By Clyde H. Farnsworth New York Times Service
TORONTO — In what many
Canadians hope will be the final round of their country's long-run-

ning constitutional wrangle, negotiators have signaled major progress in designing changes to bold the country together.

But there were still some disagreements that were unlikely to be resolved until provincial leaders nicet Prime Minister Brian Mulroney, probably early this week.

Premier Bob Rae of Ontario said, "This aspect of the Canadian experience, of being stretched out on a couch for an extended period of time, well, my own view is that the therapy is almost concluded."

Quebec has threatened to bolt if its demands — chiefly constitu-tional recognition as a distinct sociely - are not met.

The government is preparing for a national referendum on the emerging package that would probably be held in September. Quebec and possibly other provinces are also planning to hold referendums. Quebec's is set for Oct 26.

Two years ago a similar constitutional agreement, the so-called Meech Lake accord, was at hand. But because of disgruntlement over concessions to Quebec, it unraveled at the last minute. This time the negotiations are even more complex because other provinces, as well as Canada's half-million Indians, are making demands.

What has belped bring the parties together is an economic recession and the widespread recognition that joblessness could worsen and economic safety nets disappear in a country that is fractured.

Although Quebec, voicing a sense of rejection and betrayal since the Meech Lake accord failed, has formally boycotted the national unity talks, it has been following matters closely and has given hand signals to suggest that moves taken so far are acceptable.

### **AMERICAN TOPICS**

### A Step Toward Flight As Free as the Birds

Researchers are developing a device that one day may enable people to fly as freely as the hirds do. In two unmanned flights, a working model of an ornithopter, a motorized aircraft that flies by the action of its flapping wings, soared as high as 100 feet (30 meters) and flew figure eights.

The inventors say it was the first time a powered flappingwing aircraft was able to gain altitude and maneuver on a sustained basis. The ornithopter is the handi-

work of Jeremy M. Harris, a research engineer at Battelle Institute in Columbus, Ohio, and James D. Delaurier, a professor of aerospace engineering at the University of Toronto. The flights in September from a hill 60 miles (about 100 kilometers) north of Toronto represented the culmination of a 17-year effort, in their spare time, to de-

velop a flapping-wing aircraft. The ornithopter is made of lightweight materials, such as Kevlar and carbon fibers, and weighs only 9 pounds (4 kilograms), despite a 10-foot wingspan. The craft is powered by a model helicopter engine and has radio controls.

Mr. Harris envisions people strapping on powered ornithopters and taking to the skies, "Sustained human-powered flight is possible, but only harely possible," he said. But with motorized assistance, he added, "people could fly like birds,"

### Short Takes

Disused fire lookout towers, offering 360-degree views of forest greenery, are being rent-ed out by the U.S. Forest Service to nature-loving tourists at \$30 a night. The 5,000 towers that existed in the 1930s have dwindled to about 300, their function taken over by airplanes. But those that remain are being preserved. They often are hit by lightning, which is harmless because the lookous are grounded as are all sizable

objects inside, including meta bed springs. "It is like bein inside a light bulh when som one turns it on," said one enth siast, Ray Kresek of Spokan Washington, describing a light ning strike. "Everything goe white, and there is a huge crac and an arc like from an electr cal generator."

After a deranged drifter killed five children with a semiauto matic rifle in a Stockton. Cali fornia, schoolyard in 1989, the state became the first to outlay these weapons, which fire with each squeeze of the trigger. Po lice in crime-ridden south Lo Angeles say fewer than 2 per cent of fatal shootings involv semiautomatic rifles. Other pc lice departments concur. Pistol - handier, more easily con cealed and semiautomatic a well — are much preferred b the homicidal.

Speaking of concealed weap ons, Robert T. Gallagher, wh owns a New York securir agency, has developed an al most foolproof method of de tecting their presence throughody language. In 18 years as New York City police detective he disarmed more than 1.20 people carrying conceale weapons, which is a felony Most street criminals stick the guns in their waistbands, h said, and when they walk, th leg on the gun side takes slightly shorter stride, and th arm a shorter swing. Everyon carrying a gun constantl reaches to touch the weapor what Mr. Gallagher calls a "se curity feel." This and simila signs can be fleeting, he said but after a while "they're s ohvious they jump out at you.

Two self-proclaimed witche bave asked the Concord. Cali fornia, school system to han th story "Hansel And Gretel" be cause it degrades witches ansuggests it's all right to ki' them. 'This story teaches that is all right to hurn witches ansteal their property," said Kar lyn Straganana, high priestes of the local Oak Haven Cover 'Witches don't eat children and we don't have long noses witwarts and we don't wear conica

Arthur Higher

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foreign companies are given many advantages, for example, tax relief for three years.

this new economic climate.

would naturally follow.

### A Job to Do in Africa

The pot bellies, swollen feet and skeletal mes can be seen everywhere in Mozamque. The prospect of slow death by startion and disease will eventually confront million men, women and children in 1gola, Lesotho and seven other severely ought-stricken southern Africa countries dess they can stay alive with the help of nergency food aid. Whether that troubleagued region experiences a colossal loss life is a matter that is out of the hands of ose left with dried out fields and empty ills. That momentous moral choice ultiately rests with the human family, espeilly the United States and the richer memrs of the international community. The yild should not leave them to suffer alone. This Monday and Tuesday, in response to urgent appeal from UN Secretary-Gener-Butros Butros Ghali, donor countries and ternational organizations meet in Geneva review the bumanitarian needs of the gion. The United Nations estimates that ughly \$854 million in emergency food, iter, medicines and basic health care is

ics of cholera, typhoid and dysentery are to be avoided. And although the immediate threat is directed toward 18 million people. the damage, if allowed to spin out of control, could reach an estimated 130 million, according to the United Nations.

The crisis, however, is within the world's ability to solve. Since recognition of the emergency in January, the United States has already

pledged \$252 million in total food and oonfood aid. That pots it far ahead of all other countries. A vawning gap remains between the aid channeled to the region thus far and the area's actual needs. The European Community has not been pulling its weight; the U.S. effort should at least be matched by the Community. And all donors should throw their diplomatic weight behind ef-forts to ensure that the affected countries, especially those plagued by internal physical outlienecks and political differences, work cooperatively among themselves and with the international community to avoid an even greater tragedy.

- THE WASHINGTON POST.

### Rio Can Be Important

The leaders of more than 100 countries are thering in Rio de Janeiro for an extraordiry Earth Summit, the largest meeting of orld leaders ever held. Their agenda inudes pages of lofty rhetoric but no impornt binding commitments. It need not have en so vaporous. Shortsighted policies, orth and South, whittled down more ambious goals and substituted rhetorical fudge r concrete commitments. The preparatory ocess revealed a near scandalous lack of lightened international leadership.

eded if starva0on and widespread epidem-

But vague declarations that pledge coun-ies to do very little may nevertheless asme great importance. For the first time, the orld's governments will jointly declare that e global environment is threatened, that it everybody's problem and that the solution is in collective action. For the first time, orld leaders will endorse an agenda emodying the notion that economic growth ust be integrated with environmental proction. That is a real advance.

President George Bush, a master of interational consensus when the issue was Sadam Hussein, this time devoted his efforts avoiding either commitments or blame. nly at the last moment did be even agree attend. What a mockery of his promise to an environmental president.

The richer industrialized countries of the orth have dragged their heels at contribing the financial resources oeeded to aply elean technology to the developing orld. Japan and Europe seem prepared to edge several billinn dollars between them. he United States has hinted at much naller amounts. Such miserliness is misrided. All countries have a stake in clean evelopment. It is unjust and unrealistic to ut the principal financial burden on develoing countries themselves.

These countries have weakened their own use by demanding that staggering sums be at at the disposal of a new international ureaucracy and hy resisting enforceable

commitments to conservation. Ton many Third World leaders have treated the conference as a prod to win new aid commitments

rather than in protect natural resources. Brazil and other tropical countries derailed a proposed treaty on tropical rain forests by insisting that temperate forests, whose oroblems and global significance are quite different, be included as well. And a broad range of poorer countries, motivated by nationalist and religious motives, blocked

agreement on restraining population growth, a key in sustainable development.

But there need be nuthing final about these disappointments. The 11-day conference should not be considered a deadline but a new opportunity to focus attendon and narrow differences.

Take global warming. There are substantial possibilities for mutually advantageous cooperation. According to William Cline, an economist at the Brookings Institution, industrialized countries would have to spend about \$100 a ton in reduce carbon emissions from fossil fuels. But carbon could be removed through reforestation in the Third World at a fraction of the cost, probably between \$10 and \$20 a ton. That opens the possibility of industrialized countries levying carbon taxes and transferring some of the money to the Third World to pay for forestry measures.

On biodiversity, the U.S. refusal to sign a treaty need not halt progress. A contract between Merck & Co., the American pharmaceudcal firm, and Costa Rica shows the way. Merck will work with a local institute to study native species of plants and animals, providing money and laboratory equipment. If any of the species prove commercially exploitable, Merck will pay royalties.

There are enormous possibilities for other cooperative arrangements that can help both North and South. The Earth Summit sets the stage to work them out.

-THE NEW YORK TIMES.

### A Good Way to Help

As U.S. policymakers confront the stagring dimensions of the help needed to build the new states of the former Soviet nion, attention turns to the kinds of small--scale programs that sometimes have crual long-term effects. The most popular has ways been educational exchange to show tizens how democracy actually works. Sentor Bill Bradley, the New Jersey Democrat, one of many whn are emphasizing the need aid students. They have lived a sizable ortion of their lives in the ferment of glasost, are not burdened with years of alleance to or compromise with a failed philopby and may be better able to scize the ibilities that now await.

Senator Bradley has offered a bill to put ich contacts on a "massive, and I mean tassive" scale - as many as 250,000 exoviet exchange students to be brought to merica over the next five years, a fifth of nem high school students. In a one-year sposure, he suggests, students could come ) understand America's values and strucire in a way that goes beyond onetime isits by American advisers "getting off a lane and going into an office in Moscow

of agencies, public and private, that handle international exchange in that region say applications to come to America from the ex-Soviet states and Eastern Europe have surged tenfold. Some 800 high school students and 1,200 of college age studied in the United States in 1989.

With travel restrictions now lapsed, the main limiting factor at their end is soaring cost. At the American end, Mr. Bradley would attach \$450 million over five years to the current Soviet aid package. Until recently, as a spokesman for the United States Information Agency puts it, a lot of foreign policy effort "went to explaining why democracy and a free market; now they all want to know how."

The State Department recently drew attentinn to another program on this basic how-to level: a \$5 million grant from the private Soros Foundation to help the Russian Ministry of Education learn to purge its school curricula of Marxism-Lenis and retrain teachers. The eventual payoff in investments like these is bound to be big. - THE WASHINGTON POST.

### Other Comment

### Not Teculiarly Their Own'

We know now that Woodrow Wilson's freams of 75 years ago were destined to be rushed in only a generation in a maw of engeance, appeasement and genocide. We now, too, that Yugoslavia is today the scene of the bloodiest fighting Europe has seen in 15 years. But we know most of all that the vorld is more a place where democracy can e safe than at any time in history.
Wilson is widely regarded as an idealist,

out there also had to be a lot of toughness in man willing to cast aside George Washingon's admonitions against foreign "entanglenents." He entered the war without a Maine seing sunk or Pearl Harbor bombed, and recause the decision to declare war was so completely his, he bonded deeply to the -today's forward march of democracy. oldiers who answered the call. Perhaps that

is wby he went to Versailles to negotiate the peace that remade the map of Europe and inadvertently planted the seeds for conflicts we see even today. Perhaps that is why he left Paris on May 30, 1919, to visit the cemetery at Suresnes, where the graves of 6,000 Americans, mostly fallen in the advance on Chateau-Thierry, stood in fresh rows upon the hillside. Wilson spoke extemporaneously: "The men who lie here are men of unique breed ... Never before have men crossed the seas to a foreign land to fight for a cause which they did not pretend was peculiarly their own."

Since then, other American soldiers have fought and died in other conflicts not "peculiarly their own." Ton often it seemed they died in vain but, then again, witness

- The Baltimore Sun.

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### Milosevic Doesn't Have to Get Away With It

By Brian Beedham

LONDON — "Too late," most peo-ple probably muttered on Satur-day when they heard that the Security Council had at last told Serbia to stop its pursuit of Greater Serhia. The mutterers may be right. After all, armed Serbs now control much of Bosnia, as well as large parts of Croatia, Serbia's Slobodan Milosevie may decide to call the world's bluff, and the world, having apparently squared its chin, may promptly go all drop-jawed again.

The jaw-dropping is not hard to imagine. This is how it would look. Mr. Milosevic protests, once again. that the fighting in Bosnia has nothing to do with his Serbian government: It is all being done by local Serbs, born inside Bosnia. The sanctions that the Security Council has imposed on Serbia turn out to have nn immediate effect. The world flinches from ordering its soldiers into the bloody tangle of a guerrilla war. Those "local Serbs" then continue

to mop up the bits of Bosnia they want, with weapons supplied by the former Yugoslav army (controlled by real Serbs) and with some more direct Serbian help as well. When they have captured enough land, they agree in a UN peacekeeping force in Bosnia. This turns out to be like the peacekeeping force already sent tn Croatia — the keeper of a peace imposed by Serbs on chunks of territory they are gradually clearing of non-Serbs. The deed having been done, there seems no point in carrying on with sanc-tions. The warlords of Greater Serbia have got away with it.

It could turn out that way, but it need not. Perhaps something did change on Saturday. The Greater Serbia toughs may, this time, have gone too far. Consider two reasons for hoping that the imposition of sanctions marks a turning point in the horror story of ex-Yugoslavia.

First, the Security Council spoke with unexpected clarity. Its list of sanctions included all the big items an embargo on oil sales to Serbia, a freeze on overseas assets, even (al-

though this was almost too much for France) the ejection of its soccer team from the European championship. There was no nonsense about a pause before applying the sanctions. And the vote was elear-cut: 13 members of the Security Council, including Russia, in favor of action, and only China and Zimbabwe in dithering abstention. As bangs on the table go, this was loud.

Second, it seems to have caught Serbia's attention. The Serbian regime's first reaction when it realized that this time the Security Council was serious — Serbia solemnly proposed a pre-sanctions international conference was in part just the usual dodging and weaving of a country in a corner. But it may also have been a sign that the regime in Belgrade genuinely fears its impending isolation.

It has been abandoned by the Serbian church, which last week issued an unusual denunciation of the government's actions. What the church says matters; its denunciation cer-tainly swelled Sunday's anti-government demonstration in Belgrade. The curious recent alliance between Mr. Milosevic's ex-Communists and the byper-nationalists of the Serbian right may be starting to break up.

The chaos in ex-Yugoslavia, we are being reminded, is not the fault of all

arrogant group. Mr. Milosevic therefore knows that, although sanctions
will not immediately break Serbia's
economy, they could soon eat away
even more of his government's already ground political support ready eroded political support.

If Saturday's declaration of sanctions has done this, it may now be possible to start changing the military balance on the ground. To begin with,

the Serbs, just of one powerful and

Mr. Milosevic should be asked to cut himself off publicly and completely from the Serbs of Bosnia and Croatia. If be is to hope for a lifting of sanctions, it should be explained, he must regularly repeat that his government does not support what those

external Serbs, it would sharply reduce not wish to expand Serbia's borders. the needed size of that action.

He would theo be invited to accept a It might still be necessary to bomb the ammunition dumps that the Sersupervision of those borders - some bian guerrillas have inherited from the old federal army. There might tough European and American soldiers at road and rail crossings, some have to be a commando-cum-air-NATO aircraft watching from above - to make sure that Serbia sent oo borne operation to get those murderous rocket-launchers off the hills more weapons and ammunition to feed the Bosnian fighting. A couple overlooking Sarajevo. Perhaps an airof NATO cruisers with attendant port would have to be occupied, and guarded, both to get in food and frigates off Dubrovnik, to prevent medicine and as a base from which any repetition of the ex-Yugoslav anti-tank helicopters could operate. navy's bombardment of that city,

If sanctions alone do not bring the This would weaken the Serbian matter to an end, it will be necessary to contemplate putting some soldiers on the ground. Some of them would get guerrillas in Bosnia. They have been given plenty of arms and ammunition by the old, Serbian-controlled federal killed; it is dishonest to pretend otherarmy, but ammunition gets used up fast in modern fighting, and they will need more. A guerrilla whose patron wise. But a guerrilla adversary weakened psychologically and physically by severance from Serbia would be a less formidable adversary, and the cost drops him can soon start feeling loneof intervention would be smaller. Europeans and Americans do not

ly. It is conceivable that a public washing of hands by Mr. Milosevic would want to walk into an interminable war push the Bosnian Serbs inin serious in ex-Yugoslavia's hills, with an end-less casualty list. But neither, it seems. negotiations. A lot of them have the look of Saturday-night beroes. This alone may not be enough. If ex-Yugoslavia is to get a peace that is not just a peace of Serbian conquest, will they be happy with a mere wringing and washing of hands. Perhaps the sanctions ordered on Saturday will make it possible to find a course of further military action may be necessary. The difference made by the Secuaction between those two extremes. rity Council's vote on Saturday is that

International Herald Tribune.

# F. Melinaut By BEHRENDT in De Telegraef (Amsterdam). C&W Syndicate.

### If Aggression Can Stand, the New Europe Is Over By William Pfaff

PARIS — There now is signifi-cant risk of an internationalized

Ex-Yugoslavia Isn't America's Business

ONLY the pretensions of the "new world order" can explain why America is contemplating joining a multinational military effort if other measures

fail to halt the fighting in the former Yugoslavia, where the United States has never had concrete vital interests. George Bush's new world order is an excuse

for grauntous meddling in matters that are none of America's business.

World politics are never "normal." War, aggression, crisis and instability are

facts of life. The suffering in the former Yugoslavia medis U.S. sympathy bin not military intervention. West European states are the only ones whose interests

are remotely jeopardized; they are reluctant to embark on an idealistic crusade

that could suck them into a quagmire. The Gulf War underscored the evanes-

Pursuing a new world order will accentuate the gap between America's

commitments and its resources, accelerate the decline of its power and transform

it into a Potenkin Village superpower—its military strength concealing a rotten core of a sagging economy, decaying cities and racial polarization.

Because America is very secure—thanks in geography, nuclear weapons, the collapse of the Soviet Union and its own capabilities—it can define its

interests more restrictively and give primacy to domestic over foreign policy

without endangering its security.

— Christopher Layne, who teaches international politics at the University of California at Los Angeles, commenting in The New York Times.

cence of political gains from even militarily successful interventions.

Yugoslav war, The United Nations' sanctinns decisinn comes very late. The failure of the Europeans to balt this crisis may one day be judged the end of "Europe."

The fundamental principle of the new European order created since

1945 has been that aggressive war is outlawed. If that principle is successfully defied by Serbia, and Serbia's aggressive gains are not reversed by the United Nations, it is the old, bad Europe we have, not a new one.

The outlook is poor, without military intervention. The sanctions newly imposed on Serbia are unlikely to have real effect before it has completed its territorial expansion and ethnic purge of the territories it has conquered. After that, the Serbs may be seriously inconvenienced by sanctions, hut they may also plunge even more wildly into defiance of the external world.

JAKARTA — As government officials and environmentalists

prepare for the Earth Summit that

opens in Brazil on Wednesday, del-

egates from developed countries are

running headlong into a major nb-stacle: the belief in many develop-

ing countries that the environmen-

tal movement is a thinly veiled

effort to slow or even halt their

Faced with overwhelming pov-

erty and the ever present potential for political instability, govern-ments in much of the Third World

do not consider saving forests or reducing noxious emissions an im-

The problem, of course, is that by

the time developing countries can

afford to protect the environment,

it will be too late. The trees will be

Industrialized countries can hard-

ly claim the moral high ground. The

environment became a major con-

cern in the developed world only

after it had achieved a high standard

of living. Much of the economic growth in the United States and Eu-

rope in the last century was fueled

by cutting forests, extracting minerals and building heavy industrial

plants -- exactly the sorts of activi-

ties that the West is oow condemn-

tries is clear: Stop being self-right-

eous and heed the economic priori-

ties and political realities of the

developing world. Working within

those constraints will require a new

approach in environmental protec-

oon. While the Earth Summit will

concentrate on government-to-gov-

ernment accords, it should also

consider the marketplace as a key

Direct consumer pressure can

route in environmental reform.

The challenge to developed coun-

ing in developing countries.

cut down and the rivers polluted.

economic development.

mediate priority.

In any case, the principle will have been established that ethnic aggressinn and territorial expansion can succeed: bence that the new Europe is in this respect indistinguishable from the old Europe. The United States left it to the

West Europeans to deal with this problem - the crucial one tn Europe's future - and the West Europeans have failed.

If ethnic aggression is not reversed in Yugoslavia, there will be more of it. The danger is not that the major West European powers will be swept into war by Balkan struggles; this is not 1914. Nonetheless, the political and psychological consequences of what has happened in Yugoslavia will have important international effects. The chaotic remaking of the former Soviet Union is today con-strained by the bebef, held by most of

By Louis C. Boorstin

have a strong effect on companies.

both multinational and local, that

operate in developing countries. The gradual adoption of "dolphin-

demonstrates the potendal power

Similarly, consumers may soon demand that tropical wood pro-

ducts carry certification that they

were harvested in a sustainable

manner. The difficulty of defining

sustainable forestry notwithstand-

ing, the profit motive may prove to

be a strong incentive to promote

cross-border environmentalism for

Bilateral aid agencies and multi-

lateral development banks which

work with the private sector can tar-

get more programs for environmen-

tal protection. Through technical as-

sistance, support for innovative

production methods and technology

transfer, official institutions can be-

gin to define a new development

path — call it "greener growth" — that minimizes destruction of natu-

ral resources. In addition, policy ad-

visers can identify structural prob-

lems within an economy, such as

underpricing of nonrenewable re-

sources, that distort decision making

the gray areas of environmental pro-

tection to define standards for the

private sector. The costs of sulfurous

air pollution are well recognized, but

scientists have yet to agree on how

much carbon dioxide or other green-

bouse gases are ao acceptable

amount for the atmosphere. Similar-

ly, while it is clear that wholesale

cutting of tropical forests will reduce

the diversity of plant and animal

Further research is needed into

by private companies.

of the marketplace.

certain products.

tuna as an industry standard

and communal hatreds have to be nvercome and nationalist claims have in be dealt with by negotiation and compromise. Leaders in the former Soviet Union and in Eastern Europe have believed that a new poblical consciousness and new form of pobtical society really did come into existence in Western Europe between 1945 and 1989. They have wanted to become a part of it, so as to break for

the new policial elites, that ethnic

good with the injustice, oppression and warfare in their own pasts. The impotence, and even the failure of will, of the major European powers, confronted with the war in Yugosla-via, has taught the opposite lesson. The West has seemed to show itself content to leave the Balkans - and all to aggression and ethnic hatred, ft has proposed no sanction for aggressive war and ethnic murder.

populated province which Serbia considers the inalienable historical possession of the Serbian people.

The weekend before last, the Albanians of Kosovo - 90 percent of the populatinn — carried out a successful unauthorized referendum on secession from Serbia and the election of an (unrecognized) Kosovn parliament and president. Their intention now is to build up a parailel administradon in Kosovo as a form of pas-

sive resistance to Serbia's control. Whatever the United Nations' sanctions, Serbia is sure to try to crush this movement. Repression and violence in Kosovo will bring eventual Albanian involvement. Albania is poor and weak, but it will scarcely have a choice. That presumably means war between the new Serbia and Albania.

Serbia is also in potential conflict

Green Growth Via the Marketplace

species, it is difficult to translate this

qualitative assessment inm a quanti-fiable definition of sustainable for-

estry for a particular company. Far from promoting slower eco-

nomic growth, such assistance can

help combat the misconception that

all changes toward a greener econo-

my will be costly. Take the case of

the American chemical industry,

which for years argued that reducing use of ozone-depleting chlorofluoro-

carbons would cost billions of dol-

lars. Once they committed to re-

duced CFC use, many firms found

that the CFC-free manufacturing

A more punitive approach would

processes reduced operating costs.

put a company's environmental per-

formance on the table in trade nego-

tiations. Lax pollution regulations or

weak enforcement could be cited as

providing an unfair advantage to

foreign manufacturers, thus justify-

ing imposition of duties on products.

The practicality of monitoring and

enforcing such standards has yet to

be established, and this policy tool could be abused for political pur-

poses. Still trade sanctions may be

useful in the future to encourage

Initiatives such as these, which are

aimed at the private sector, would

complement any official agreements

worked out at the Earth Summit. In

the race to protect the environment

in developing countries, the market-

place offers quicker, more focused

solutions to a oumber of problems.

The writer, who has worked as eco-

nomic adviser to governments and companies in Asia, Africa and Latin

America, is currently based in Jakarta

with the International Finance Corpo-

ration, an affiliate of the World Bank.

He contributed this comment to the International Herold Tribune.

changes in recalcitrant companies.

with Hungary, A Hungarian ethnic minority of some 400.000 in the Serbi-an-controlled province of Vojvodina is justifiably uneasy about its future in a Serbia intoxicated by the ambition to create a Greater Serbia "purified" of foreign elements - an ambition already being realized in those areas that Serbian militias and the former federal army have seized from Croatia and Rosnia-Herzegovina. Also, the war between Croatia and

Serbia is unfinished. The United Nations' peacekeeping forces occupy the regions taken from Croatia, but Croatia has no intention of ceding them to Serbia, despite the expulsion of their former Croatian inhabitants. At the same time, Serbia cannot withdraw without abandoning its local support-ers and militias, and suffering political humiliation. The UN forces will oot that Europe which lies beyond the stay forever, and they have no present mandate to impose a political solution on Serbs and Croats.

Greece is involved because of its The risk of internationalized war established ties and substantial trade exists first in Kosovo, the Albanian-with neighboring Serbia, and because the Greeks believe that Macedonia's declaration of independence from the new Serbian-dominated rump-Yugoslavia implies a threat to the Greek province of Macedonia.

Greece is a NATO member. Could NATO deal with this situation? NATO is the nnly organization with the military capacity actually to halt Scrina's aggression and impose a so-lution on Serhs, Croats and Muslims. It seeks a new role. It has already offered to place peacekeeping forces at the disposal of the 52-nation Conference on Security and Cooperation in Europe. Those 52 governments would virtually certainly be unable in agree nn military intervention in Yugoslavia. But what about the 16 mcmbers of the North Atlantic Council, which sets NATO policy?

And what about the nine members of Europe's own security organization, the Western European Union? NATO and the WEU know how to work together. The Europeans could yet redeem their situation by initiating ac-tion through the WEU - whose Assembly meets today in Paris.

The debates of the post-Communist period have consistently taken for granted that Europe's security was a problem for the future. It is not. The security of Europe, now and for the future, is being decided right now in the Belkans. If aggression succeeds there, and ethnic struggle is validated as national policy, all the existing institutions of Western security will have been proven incompetent to deal with the most important crisis Europe has experienced since 1945. And Europe's security will not simply have been lost; it will have been abandoned. International Herald Tribune.

O Los Angeles Times Syndicate.

### The People Who Won's Pay the Bill

By Anthony Lewis

WASHINGTON — The U.S. federal budget deficit is now up to \$400 billion a year, and effectively out of control. Practically everyone in Washington says that is 2 terrible thing, damaging to the economy, unfair to the children, but no ooe does anything about the following small story.

In the 1990 budget agreement be-tween Congress and the president. one small item called for Coasi Guard "user fees" on recreational boats. The bill that was passed exempted boats up to 18 feet (5.5 meters) long. The owners of larger boats paid fees on a sliding scale up to \$100 a year for the largest. Boat owners were furious. They

did not want to pay for the emergen-cy services provided by the Coast Guard. They complained to their congressmen. Two weeks ago the House voted to repeal the boating fees. The provision was attached to a shipbuilding bill that passed by a vote nf 339 to 78.

There, in miniature, is the reason why the budget is so grossly out of balance. The American people want government services but do not want

to pay for them.
Indeed, it is more than wanting government benefits. People believe they are entitled to them. When someone tries to put realistic limits on them, they scream. Here is another example, gro-

tesque in its greed and folly. Twenty-five years ago the government began subsidizing insurance nn houses built in dangerous waterfront areas. It did so because private insurance companies were reluctant to issue policies on bomes that might be hit by hurricanes or might fall into the sea as the shorefront eroded. Eventually someone woke up and asked why the rest of the popu-lation should huy insurance for Americans who want to put houses in danger zones. Or wby the government should be encouraging construction in such fragile areas.

Legislation was introduced that would gradually reduce that federal insurance subsidy over the coming years. It passed the House last year, but then the beach home owners and real estate people woke up and screamed: You can't do this mus; it's unconstitutional. Whether the bill can pass the Senate is now uncertain.

statute was quickly repealed. Even the idea of limiting cost-of-living in-creases in Social Security benefits arouses so far invincible opposition from the powerful elderly lohby. The reason the federal government persistently spends more than

it has, in short, is that the people want it that way. People think they are constitutionally entitled to a free federal lunch. They demand that political leaders provide the benefits --and then denounce them for not balancing the budget. If the real source of the budget

disaster lies in public desires and illusions, then the only hope of a cure is in leadership that will per-suade people to limit their desires and shed their illusions. And there is no sign of that leadership.

Ross Perot gets cheers when he denounces the deficit. We have got to get the debt under control," he said the other day. "Pay it down and pay it off." The cheers are sincere, I have no doubt, but the question is whether Mr. Perot will tell the truth about the budget and keep them cheering. The truth is not his empty talk

about eliminating "waste." It is something like this: "We are going to have to tax Social Security payments to the well-to-do, and limit cost-of-living increases. We have to stop federal aid to airports, including my own. We cannot build the space station. There can be no more Seawolf submarines. We have to put a big new tax oo gasoline."

Commenting on the Perot phenomenon recently, the Economist said in London that his supporters "seem to believe that the mess present leaders have made ... has nothing to do with the self-interest-ed actions of the voters themselves over the past few years."

Shakespeare said it first: The fault, dear Brutus, is not in our stars, but in ourselves ...

The New York Times.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1892: Wild West's Loss

LONDON - One of the greatest attractions of the Wild West no longer exists. Ta-ra-ra Boom-de-ay, the fiery untained steed which formed one of the attractions of the Wild West, is dead. The animal was one of the best buck-jumpers, and while going through its performance on Monday [May 30] afternoon, jumped and bucked to such an extent that it kicked itself heels over head and fell heavily with its rider. The cowboy saved himself by admirable agility, but Ta-ra-ra Boom-de-ay broke his neck and kicked no more.

### 1917: On Memorial Day

WASHINGTON — Speaking yester-day [May 31] at the Memorial Day ceremony held in the national cemetery. Arlington, Va., President Wilson declared that the time has arrived for the United States to act, and that so far as he was concerned he had no fears regarding the part America will

enact in the world conflict. "The men whose memory we venerate," said the President, "fulfilled their duty toward liberty; we again are confronted by an unaccomplished task. But I am convinced that even as these men of America then answered the appeal of liberty, so today the men of this generation will act likewise."

### 1942: Attack on Cologne LONDON - From our New York

edition:] Three-fourths of Cologne was set afire and a great area of the German Rhineland metropolis of 756,000 population was flattened by tremendous weights of explosives dropped by 1,250 Royal Air Force planes Saturday [May 30] night in the greatest raid in all aerial warfare, the British announced today. Recomnaissance aircraft reported that a phone of smoke towering over the roins wrought hy the devastating force of nearly 6,000,000 pounds of bombs still was visible throughout Sanday from the European coast.

The larger if less piquant examples are in the programs of benefits that go to people regardless of their need; Social Security, Medicare and the like. They are called entitlement programs, a name that accurately reflects what people feel about them. A few years ago Congress passed legislation that made wealthier retires pay more for Medicare benefits. The protest was so loud that the

### مكنامن الأجل

In 1960 we flew a total of 1½ million miles orthe equivalent i of London to Sydney and back 68 times.

# Last year we flew to the moon and back 350 times.

That's the equivalent of over 167 million miles.

But, instead of the moon, we had the pleasure of flying you to over 72 destinations in 36 countries across four continents. On planet Earth.

In the past thirty years Thai's international network has flourished like the tropical orchids we give fresh to our passengers every day.

It now reaches out from Bangkok to Europe, North America, Australasia and to 32 destinations in Asia.

More than 600 flights each week connect the four corners of the planet, from Stockholm to Seattle, Auckland to Athens, Singapore to Seoul.

Our regional network is the biggest there is out of Bangkok (the hub of Asia) while domestic flights last year increased to over 30,000.

At Thai International, high tech-

nology has come together with centuries old traditions to create one of the fastest growing airlines in the world.

The technology allows us to do things like organise your bookings and flight schedules anywhere in the world with a minimum of fuss.

The traditions ensure your travelling time becomes an absolute pleasure.

Our remarkable growth over the past thirty years has recently prompted us to list our shares on the Thai stock market.

Not surprisingly, they are widely predicted to become one of Thailand's most sought-after investments.

And, while interplanetary travel may well be a future possibility, we're sure you'll find Thai's growing world a very pleasant place to be.



### War in Yugoslavia: J.S. and Allies Split **In Who Does What**

y Thomas L. Friedman New York Times Service

WASHINGTON - The quesn of how to deal with the crisis in igoslavia has revealed some of tensions between the United .tes and its allies in Europe, espelly France.

4 U.S. official, summing up U.S. mempt for a purportedly meager e played by the Europeans in ciling the Yugoslav conflict, i: "These people could not orga-

### **NEWS ANALYSIS**

is a three-car motorcade if their es depended on it." Nonsense, countered a French icial. The Americans did noth-

for 11 months while the Euroans sent peace missions and even ir own peacekeepers to Yugosla-And then suddenly Washingdecides "that it needs to lecture oa what to do."

What Washington is trying to . some European diplomats inis to deflect attention from its n inaction in the crisis.

'The Europeans were the ones to proposed the United Nations servers and the 14,000-man acekeeping force," a French offi-I said. "France has 2,000 men on e ground in Yugoslavia, with it lives on the line. Where are Americans'

U.S. officials acknowledge that months they did very little in Yugoslav crisis, even after the reign minister of Bosnia-Herzevina made an emotional plea to retary of State James A. Baker on April 14.

For months, U.S. officials ared that Yugoslavia was mainly a gopean affair and that Europe uld take the lead --especially in election year when the Bush im had no desire for steps that ight end with U.S. troops in a

"The Europeans were saying every day that they are a force to be reckoned with, that they want to organize themselves so we gave the ball to them, and they dropped it," one official said.

"The decision-making process in the European Community allows only the lowest common denominator to work," the official said. The truth is, Germany, the Dutch, the British were interested in a more activist approach, and were very close to us, but they were held

back by one country - France." While the Europeans may have "dropped the ball," the Bush administration picked it up only last week, oo the eve of Mr. Baker's trip to Lisbon for a conference on aid-

ing Russia. Several factors prompted the shift, officials said. To begin with, the crisis in Bosnia-Herzegovina seemed to be reaching a new level of carnage and, importantly, was being shown on U.S. television.

That led to widespread editorial criticism of the Bush administration for inaction. This, editorials said, seemed inconsistent with the official Bush talk about a New World Order and about the United States's being the "leader" of a collective alliance for democratic

The Bush administration has a history of waiting to be pummeled by the press before it takes action in any crisis that might be politically unpopular. That was true when it came to the question of aid to Rusmarket economy. It was true when it came to dealing with the coup in Haiti and its consequences, and it was true in Yugoslavia.

U.S. officials say they concluded that if Washington did not act, no one else would and history would be a harsb jndge.

In part, though, the Bush admin-

### Serbs, Facing Hardships, Insist They Are Prepared

BELGRADE - Economists and Western diplomats agree that the sanctions imposed by the United Nations Security Council on Saturday will bring shortages and other hardships to the people of

But contingency plans made by the leadership and loopholes in the embargo, they say, are likely to enable the economy to function for a long time.

Clearly, the most worrisome of the sanctions is the embargo on oil. Before the UN vote, the government had been hoping for a continued oil from Russia, China and Romania, as well as from Yngoslav-

owned wells in Angola. Serbia produces only about 20 percent of its oil needs. But it has made plans in the event of an oil cutoff.

"We must prepare for the worst, and in our case that would be the closing of the oil supply route through Romania," Milan Djakovic, general director of the Serbian oil industry, said in an interview with

Serbia has leased oil-tanker barges from Czechoslovakia and Ukraine and uses its own and Romanian vessels to bring oil up the Danube from Romanian ports to refineries near Belgrade.

"From week to week we are struggling to secure as much oil and petroleum derivative as we can to lengthen the period we can operate in the event of an oil embargo," Mr. Djakovic said. "We have sufficient oil to keep up normal supplies for more than 15 days, and we are striving to produce even more. Happily, we do not buy oil

from the European Community."
In a televised interview, the Serbian president, Slobodan Milosevic, said he believed economic sanctions against Serbia would not last long because too many countries had economic interest in Serbia and its ally, Montenegro.

But the economists and diplomats dismissed the assessment of Serbia's economy offered by Mr. Milosevic. The Serbian economy, they said, is a mess.

Official figures say that as a result of the Yugoslav secessionist strife for the last year, productivity has fallen in Serbia by 25 percent to 40 percent and average wages have shrunk to the equivalent of

-CHUCK SUDETIC

prompted by a wish to prod and upstage the Europeans, particular-ly the French, after Paris irritated Washington by approving the forsia as it struggled to adjust to a free mation of a German-French military force.

> The White House had also been annoyed by President François Mitterrand's statements that the Los Angeles riots were a consequence of the domestic policies of the Bush administration.

Indeed, in the view of many French and European diplomats, istration seems to bave been the real issue grating on Washing-

ton now is the fact that France and Germany plan to form the 35,000member French-German corps, the nucleus of a European army that is supposed to complement the North Atlantic Treaty Organization but might one day supersede it.

Some French officials believe the Bush administration almost enjoys embarrassing France and the Europeans on Yugoslavia.

The U.S. purpose, they say, is to discredit any notion that the Europeans could muster a credible military force outside American-led

### ERBS: Thousands March to Assail Milosevic, and Sanctions Take Effect

(Continued from page 1)

onday at 6 P.M. local time, an official in

The cease-fire provides for the evacuation of resieged Yugoslav Army barracks in the city Serbian forces continued their bombard-

ents of Sarajevo, which has been blockaded

r about two months, Serb-commanded forces also hit the old and orld-renowned Crostian port city of Dubrovk, lobbing shells into the walled Old Town. More than 2,300 people have been killed and 700 wounded since the Serbs began their

military campaign to seize about 70 percent of Bosnia-Herzegovina, including many areas with sizable Muslim Slav majorities. The fighting has driven more than 700,000 people from

The Belgrade demonstrators, many dressed in black, took over central Belgrade streets for about three hours, unfurting a mile-long black banner along the city's main shopping thoroughfare before protesting outside the television station.

The Belgrade demonstration was the largest protest in Serbia since violent protests in March 1991 brought tanks to the capital's streets.

The demonstrators scoffed at the elections, calling them a "show" and a "farce."

Western diplomats said a weak turnout would not necessarily be interpreted as a vote of no confidence in Mr. Milosevic, who rose to power through the Communist Party's apparatus and has deflected criticism and held power by appealing to Serbian nationalism-

Casting his ballot early this morning, President Milosevic criticized the United Nations sanctions, asserting that Serbia is not responsible for the fighting in Bosnia-Herzegovina.

"This is the price we have to pay for support-ing Serbs outside Serbia," Mr. Milosevic said.

### CAVIAR: The Sturgeon — the Latest Victim of the Soviet Collapse the price is about \$15 a pound. In eight small-time traders, who re-

Commence and the second second

pletely depleted." In the old days, the Kremin monopoly. Quotas for the annual sturgeon catch were established by the Ministry of Fisheries in Moscow. A semi-militarized inspectorate cracked down on poschers and dealers in illegal caviar.

Former Soviet republics bordering the Caspian have been unable so far to agree on new sturgeoncatching quotas proposed by Ivanov's institute. Many scientists fear that, even if an agreement is eventually reached, it may prove impossible to enforce.

The market price of caviar inthe shipping distance. In the Volga estuary, where the river divides into bundreds of streams, fishermen eat caviar for breakfast, lunch and dinner piled on fresh chunks of bread.

In Astrakhan, 60 miles (100 kilometers) upstream, illegally pro-cessed caviar sells for around 200 rubles a pound (454 grams) about \$2 at the market rate of exchange. By the time the caviar

on like this, within three or five New York and Paris, high-quality years sturgeon stocks will be com- caviar sells for \$50 an ownce or

The price of caviar on world went to great lengths to preserve its markets is testimony to both its rarity outside Russia and its snob appeal. The harvesting of sturgeon has been a state monopoly in Russia since the reign of Peter the Great in the early 17th century.

Now, uniformed policemen patrol the lower reaches of the Volga in an attempt to prevent unauthorized fishing of sturgeon. But poschers and illegal caviar traders are becoming increasingly brazen. During a two-day trip down the Volga from Astrakhan to observe the official harvest, guides pointed creases geometrically according to out half a dozen incidents of illegal sturgeon fishing.

A significant proportion of ille-gally harvested caviar ends up at the Central Market in Moscow, widely believed to be under the control of the Azerbaijani mafia. In May, inspectors raided the market and confiscated 160 pounds of fresh beluga caviar, worth more than \$100,000 in the West.

The raid was hardly worth the reaches Moscow's Central Market, effort. The inspectors detained own Volga catch. But there is a great waterways.

fused to disclose their supplier. They were fined the maximum 3,300 rubles each, a paltry sum for the matia. Several days later, an

Azerbaijani businessman offered an inspector a bribe of 2 million rables "for leaving the Central Market alone." On this occasion, the bribe was refused.

"It's practically impossible for us to crack down on a business that is worth millions and millions of rubles," said Andrei Lashenko, a fishery inspector who took part in the raid on the Central Market. "In the old days, we would have immediately gone down to Azerbaijan to investigate. But this is a different country now. We don't even have the right to ask the Azerbaijanis to investigate on our behalf. If we did go down there, there's a good chance that we would be killed by

the mafia" As one of the newly independent states bordering on the Caspian, Azerbaijan is claiming its share of the annual sturgeon harvest. Since the sturgeon no longer swim up Azerbaijan's poisoned and dammed up rivers, Russia has of-fered Azerbaijan a portion of its peared from many of the world's

great temptation for Azerbanani fishermen to catch immature storgeon in the sea, a practice strongly

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condemned by conservationists. Only Russia, Kazakhstan and Iran still have rivers clean and long enough to provide spawning grounds for sturgeon. In other republics, fishing cooperatives and collective farms are simply ignor-ing the once-rigidly enforced ban

on fishing in the open sea. The size of the clandestine caviar harvest can only be guessed at. Conservationists and fishery inspectors estimate it at 30 to 50 percent of the official catch, which has been carefully calculated to

preserve existing sturgeon stocks. Some of the illegally harvested caviar is already making its way to the West, depressing caviar prices on the world market.

Faced with the prospect of caviar supplies being wiped out, Russian fishery officials are hoping that former Soviet republics will understand that it is in their own interests to take drastic action to conserve the sturgeon. Over the past century,

### BUSH: Campaign Aide Urges Baker's Return to Head White House Staff

(Continued from page 1) political doldrums. William J. Bennest, the former director of the office of national drug control policy and an influential conservative, who met with Mr. Skinner last week, said Mr. Bush and the White House "clearly now have gotten the message of danger" and are no longer assuming re-election.

Mr. Bennett said the president's basic problem was that "people do not perceive him as the dynamic leader, as offering leadership" on the issues facing the nation, and that he needs to move "to the cutting edge" on framing his solutions to domestic problems and bringing those solutions to the voters.

"From what I understand" he said, "the president is not very hap-py with the way things are going."

The rumors that Mr. Baker would move over to the White House are similar to the ones that began circulating in the summer 1988, when Mr. Baker was T. sury secretary. As the Democratic convention opened, Mr. Bush's campaign was being run by a group of seven men and his vice presiden

tial operation by another group. The two power centers feuded, Mr. Bush slipped in the polls and Republicans around the country began calling for Mr. Baker to run the campaign. He resigned his cabioct post in August.

In a series of recent meetings, Mr. Bush's aides have been trying

time of increasingly good economic Mr. Perol. Mr. Bush has seen bittle matches. improvement in an approval rating

that hovers a little over 40 percent. here and our message is not getting.

Nearly 80 percent of the country out," one senior administration of-

to assess why the president at a continues to believe the nation is ficial said. "Bush has given 20 perheading in the wrong direction, a cent more domestic speeches this news and weeks of emphasis on domestic policy is losing ground to take more seriously than poll than Reagan did in this period and people still say we don't have a "Obviously, something is wrong message. We do have a good mes-

### CALIFORNIA: Voting Landscape Akilter

(Continued from page 1)

results are certain to have an impact on politics beyond the state. "In the presidential race I've

never seen such a low enthusiasm level for both major party candi-dates." Mr. Field said. "If this were a plebiscite and you asked wbether people wanted Bush or Clinton to be president, the vote would be 2 to I against either of them."

Steve Merksamer, who was former Governor George Deukme-jian's top aide and who supports he president, said he had never ... the discontent so great in California. "People are looking for something radically different. which explains in large part the Perot phenomenon we are seeing," he said. "There's no doubt today that be would win California by a

sizable margin. Disillusion, frustration and confusion are words used not only by voters to describe their feelings. They are also words used by oldstyle operatives trying to adjust to a Leo McCarthy and Represent position in which candidates Med Levine of Los Angeles.

ignore direct meetings with voters and spend their time on the telephone soliciting money for television commercials.

A Republican consultant, Stuart K. Spencer, said a lot of people would be surprised at the the voting booth because "they don't even know who's running," or against

This is confirmed by Mr. Field's surveys. The polister said voters often say they favor Dianne Feinstein, a former mayor of San Francisco, over Representative Barbara Boxer. The two Democrats are not running against each other.

Mrs. Feinstein is the leading Democratic candidate for a twoyear Senate seat vacated by Pete Wilson, a Republican, who defeatterm being vacated by Senator

Mr. Levine has a bberal record in the House, as does Mrs. Feinstein's opponent, state Comptroller Gray Davis. But voters might never know this from the inflammatory television commercials. They feature denunciations of "mob rule" and "anarchy," and in the case of Mr. Davis, violent scenes in which black youths beat a white truck

driver, Reginald Denny. . Mrs. Feinstein and Mrs. Boxer hope to capitalize on what Mr. Field has found is a voter preference for women, who are viewed as more honest than men. In both Republican Senate primaries, women committed to abortion

rights could make the difference. Tuesday's presidential primaries hold little suspense and have generated even less public interest. Presied her for governor in 1990. Mrs. dent George Bush is expected to Boxer is running for the six-year win handily over Patrick J. Buchanan, while Governor Bill Clin-Alan Cranston, a Democrat, and is ton hopes to defeat former Gover-in a three-way battle for the nomi-nor Edmund G. (Jerry) Brown Jr. nation with Lieutenant Governor and lock up the Democratic nomi-Leo McCarthy and Representative nation, which he can do even if he is upset by Mr. Brown.



For generations Tuborg Lager has been part of the noble art of beer drinking in all European countries.

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# Impasse On Arms Accord

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### U.S. Initiative Stalled by China

By Elaine Sciolino
New York Times Service WASHINGTON — The world's five largest arms suppliers to the Middle East have failed to reach agreement on how to put into effect. a year-old U.S. initiative limiting conventional weapons sales to the

After talks on Thursday and Friday, the five countries - the United States, Russia, Britain, France and China — which supply the Middle East with between 85 and 90 percent of its conventional arms, reported no progress. China opposed a proposal to disclose agree-ments about the sales of weapons before they were delivered

An American official said the process was "not moving as rapidly as we might like," but praised the fact that the negotiating process existed at all.

According to data compiled by the Central Intelligence Agency, the United States leads the world in arms deliveries to the Middle East, sending \$4.4 billion in weaponry in 1991. Britain delivered \$3.5 billion in arms, the former Soviet Union \$2.5 billion, France \$1.5 billion and China \$300 million.

The only concrete achievement during the round of talks was that China repeated a commitment made to the United States that it would not transfer missiles banned under guidelines of the Missile Technology Control Regime.

Some independent arms-control analysts and members of Congress say the initiative, begun in the aftermath of the Gulf War, has received little attention from President George Bush or his senior.

China has accused the West of having a double standard toward arms control, asserting that the United States and its allies do not want to limit their ability to sell aircraft, tanks and other conventional weapons to their friends in. the area, and have drawn a distinction between good arms sales and

The United States remains by far the largest exporter, suppliers are competing for a shrinking arms market and China remains inflexible on a number of issues. The Chinese sent a low-level delegation to the talks, making any meaningful result unlikely.



DANCING IN JERUSALEM — Men from a settlement in Israel dancing Sunday in the Old City to commemorate a quarter-century since it was wrested from Jordanian troops during the 1967 war. A passing Palestinian seemed dubious of the commotion.

### U.S. and Saudis Find a Way

مكنامنالأجل

### Old Pact Used Quietly to Widen Military Cooperation

By Don Oberdorfer

Washington Post Service
WASHINGTON — The United States and Saudi Arabia have setiled on an obscure 15-year-old military training pact as a legal framework to expand strategic cooperation, according to U.S. and Saudi sources.

Washington wants to broaden the military relationship to permit more extensive exercises and an early positioning of air, naval and possibly land equipment for quick availability in event of need, such as the Gulf War last year.

The use of the 1977 Military Training Mission Treaty as the basis for an expanded relationship represents a fundamental improvement in relations since the United States moved in swiftly with half a million troops after Iraq invaded

Saudi Arabia is important to the United States not only for its strategic location but also as its largest foreign supplier of oil.

We cooperated together at a time of extraordinary danger for both of us and cooperated successfully," a senior Pentagon official said, referring to the Gulf War. He described the relationship as "transformed."

A Saudi said more colloquially. "You never forget somebody who saves your neck." After that operation, Washing-

nmunition and other material in dent. Saudi Arabia.

Robert M. Gates, the director of central intelligence, said in recent testimony to Congress: "If in the next few years it again becomes necessary for the United States to deploy combat power abroad, the strategically vital region encompassing the Middle East and Persian Gulf is at the top of the list of likely locales."

But the Saudis, worried about anti-American sentiment in the Arab world and fundamentalist Islamie groups at home, wanted to put any new security arrangements on a handshake or unspoken understandings.

U.S. officials initially proposed full-scale military agreements such as those that have been recently

signed with Knwait and Bahrain The decision to use an amended version of the 1977 U.S.-Saudi accord, which covers the stationing of a small number of military advisers there, is expected to open the way to a compromise on how explicit

the arrangement should be.
State Department attorneys are said to be making progress in discussions with the Saudis.

A Saudi official said completion was unlikely before the U.S. elections in November because the

ion found itself frustrated in its. Saudi leaders want to know whethquest for agreements permitting it er they will be dealing with Presi-to leave tanks, armored vehicles, dent George Bush or another presi-

Sources said the Saudis are concerned about any agreements that would suggest a permanent U.S.

military base. Secretary of Defense Dick Cheney has approved a Pentagon plan to store vital support equipment for five to six fighter wings, or roughly 400 planes, in Southwest Asia. Most of this is believed destined for Saudi Arabia.

In the same document, the annually issued Defense Planning Guidance, Mr. Cheney directed the army to set aside 200 of its most modern tanks and 200 Bradley fighting vehicles for eventual storage in the area.

This represents a cutback of about one-third in the original Pentagon plan for on-site positioning of land equipment. However, the planning document indicates that the Saudis have not yet agreed to storage of tanks and personnel carniers.

Because the Gulf seems to be a region where the United States might need to undertake military action, the navy keeps a carrier battle group in the area 183 days a year and may increase this to as many as 270 days, according to the Pentagon guidance.

### WARMING: On Summit Eve, Uncertain Predictions

dence. They are most visible be-

cause many are backed by large

activist organizations and because

the press traditionally gives alarm

calls prominence. But there are also

more circumspect scientists who

say the data are still much too un-

certain to cause a rush into action,

especially expensive action, to cur-

The most prominent climatolo-

nautics and Space Administra-

tion's Goddard Institute for Space

Studies. He touched off much of

the current concern by announcing

dence a cause-and-effect relation-

One of the alarmists' severest

ready happening now."

tail greenhouse emissions.

(Continued from page 1)

centimeters to 20.3 centimeters) over the same time.

"The size of the warming is broadly consistent with predictions of climate models," the panel said, but it is also of the same magnitude as natural climate variability."

In other words, the changes measured to date in the environment are no bigger than those the Earth has undergone in recent centuries through entirely natural processes.

"It is not possible at this time." the report read, "to attribute all, or even a large part, of the observed global-mean warming to the en-hanced greenhouse effect on the basis of the observational data currently available." If those measured words repre-

sent the consensus of climate experts, what about all the voices calling for drastic action, all those experts so widely publicized in the crescendo leading to the Rio summit meeting, which opens Wednes-

The fact is that most of them are part of the consensus. They differ not so much on what can be said lite program and a well-known lisher, J. Stewart Bryan 3d.

scientifically but on what they skeptic of doomsday scenarios. Yet think society should do in response.

Mr. Singer calls the report "an ex-The most visible scientists have cellent compilation filled with aptended to be those who express propriate cautions and qualificaalarm and call for immediate, widespread action in the name of pru-

And he agrees that global warming is likely to continue but suspects the rate will be "modest."

### Richmond News Leader Dead After 104 Years

New York Times Service RICHMOND, Virginia - The Richmond News Leader, which gist to sound the alarm was James E. Hansen of the National Aeroproclaimed Southern conservatism for 104 years, printed its final issue Saturday with the headline "Never More," an allusion to Edgar Allen Poe, who once made Richmond his home.

in 1988 that "global warming has reached a level such that we can The parent company, Media ascribe with a high degree of confi-General, announced in September that it would merge The News ship between the greenhouse effect Leader with its sister paper, The Times-Dispatch, a morning paper with a separate news staff. "It's a and observed warming. It is algrand old name but we could no critics is S. Fred Singer, the first longer afford the luxury of competing with ourselves," said the pubdirector of the U.S. weather satel-

### **ACROSS** 22 Cleanse in water 23 Rational

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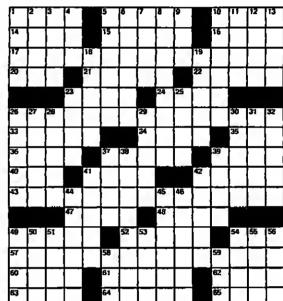
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New York Times, edited by Eugene Malesha

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### EASTERN & CENTRAL EUROPEAN ENERGY

JUNE 24-26, 1992, VIENNA

99.00 OPENING ADDRESS

Dr. Waligung Schussel, Minister of Economic Affairs, Austria 19.45 ENERGY DEMAND - IT'S CHANGING SIZE & STRUCTURE ENEHGY DEMAND - ITS CHAPTENES SIZE A THROCKY OF THE OFFICE OFFICE

11.30 ENERGY SUPPLY - SECURITY & ECONOMICS
Kambiz Manarit, Hoad, Intl. Assessments Dept., National Itanian Ol Co., Tehran
George Langshate, Managing Director, Global Gas, British Gas pic, London
Prof. Lutin Radiouley, President, Committee of Energy, Bulgaria
Victor S. Chamomyrdin, Chalman, Gasprom, Moscow

14.30 INFRASTRUCTURE - PIPELINES, TRANSPORTATION & STORAGE

Valery Chornysev, Prasident, Glavtransneft, Moscow Aleksander Mileo Broz, Adviser to the General Manager, INA Oil, Zagreb Gabrilate Cagitari, President, Ente Nazionale Idrocerburi, Florre

The following special interest presentations will run simultaneously. 16.15 INTERNATIONAL FINANCIAL METHODS & SOURCES 5 INTERNATIONAL FINANCIAL METHODS & SOURCES
Randal B. Flacher, Senior Benker (Energy), Merchant Benking, Europeen Bank
for Reconstruction and Development, London
J. Robert Maguirre, V.P., Europeen Energy Group, Morgan Stanley, London
Aless Jones, Partner, Energy and Natural Resources, Ciliford Chance, London
John Shakeshaft, V.P., Eastern European Group, Morgan Stanley, London
David J. Taylor, Head, Energy & Natural Resources, Moscow Narodny Bank,

OIL-RELATED BARTIER (MADE Dr. Jozzef Toth, Managing Director, Mineralimpex, Budapest Konstantin Borovoy, CE, Russian Commodities & Raw Materials Exchange, MOSCOW OIL-RELATED BARTER TRADE

Elja Mahroivirta, Executive Vice President, Neste Cy, Hotsinid INVESTMENT OPPORTUNITIES IN THE ROMANIAN ENERGY SECTOR neacu, Minister of Industry, Romania. ded by Dan Constant

16.00 Cocktails

08.30 UPSTREAM - HAZARDS & ATTRACTIONS OF THE REGION
Richard Matzia, President, Chevron Oversess Petroleum Inc., San Francisco
Gil Labbé, President, Anglo-Susse LP, Houston
Yari Shafranik, Cheirman, Regional Council, Tyumen
Ylarimian Arubunian, Cheirman, Soyuznefisexport, Moscow - JUNE 25 -

10.00 KEYNOTE ADDRESS RETNUTE AUDITION Dr. Slegfried Meysel, Cheirman, OMV A.G., Vienna

11.00 DOWNSTREAM - REFINING & MARKETING
Anthony Vicers-Allies, Head of Central & East Europe Division, Shell International Petroleum Co. Ltd., London Pierre Vallieud, Director General, Total S.A., Peris

Dr. Yuri Tcherbak, Minister of Ecology, Ukraine Klaus Kasper, Director, RWE Energie AG, Germany The following special interest presentations will run simultaneously

14:30 ENVIRONMENTAL IMPLICATIONS & CARBON TAXES

Den Constantinescu, Minister of Industry, Romanis Vadim F. Sapronov, President, Rosnefteprodukt, M

Filip Dimitrov, Prime Minister. Bulgaria

13.00 Lunch: Hosted by Phibro Energy

12.15 KEYNOTE ADDRESS

air Anukanian, Chairman, Soyuznelleexport, Moscow n Saverin, President, Romanian Privatization Agency, Bucharest mir Diouthy, Federal Minister of Economy, CSFR strey Harrison, Managing Oiroctor, Europe Energy Environment Ltd.,

16.15 PRIVATIZATION & PRICE LIBERALIZATION IN THE ENERGY SECTOR

DIRIOTAL SUPPLY & DISTRIBUTION
Prof. Jan Popczyk, President, Polish Power Grid Co., Warsaw
lan Brown, Senior Advisor, EC Energy Efficiency Office, Budapest
Borle Semenov, Deputy Director General, International Atomic Energy Agency. Victor Valdin, Vice President, Renel, Bucherest INVESTMENT OPPORTUNITIES IN THE ALBANIAN ENERGY SECTOR Delegation headed by Dr. YIII Cabiri, Chiel Advisor, Ministry of For Economic Relations, Abania

18.45 Evening Flecaption: Hosted by the Mayor of Vienna

08.30 CORPORATE RECRIENTATION & RESTRUCTURING Dr. Jozsef Subal, President, MOL Rt., Budepest Lay Tetaurillov, President, Rosnetlagas, Moscow

09.55 KEYNOTE ADDRESS Kadyr K. Balkenov, Deputy Prime Minister, Kazakh Republic

10.55 FINANCE & INVESTMENT

FIVANCE & INVESTMENT

Dr. Hannes Androsch, Cheirman, Androsch International, Vienna

Prof. Gyorgi Matyuditin, Chairman, RSFSR Central Bank, Moscow

Dr. Heirz Klenzi, First Deputy Governor, Austrian National Bank, Vienna.

Herman Mulder, Senior Vice President, ABN AMPO Bank, Amsterdam 12.25 KEYNOTE ADDRESS Eduard Grushevenko, Deputy Minister of Fuel & Energy, Russia

13.00-POLITICAL, LEGAL & JURISDICTIONAL DISPUTES Prince Altred von Liechtenstein, President, Akademie für Zukunfistragen. 18.25 Clase of Conference

19.30 Informal Luncheon

Subject to confirmation

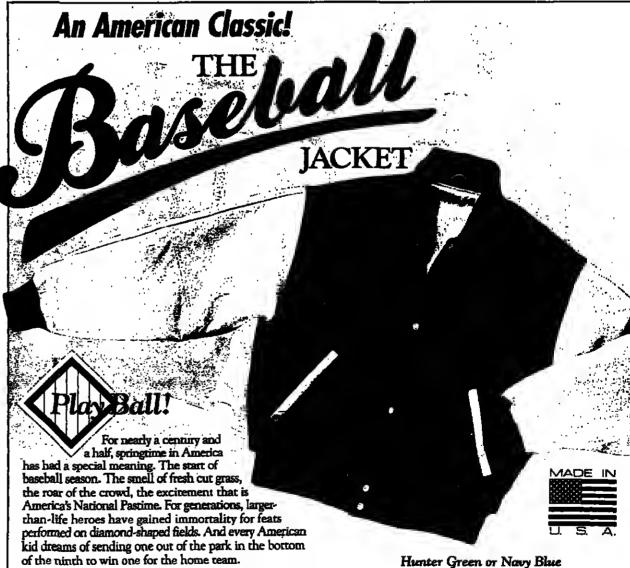
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### BUSINESS/FINANCE

Herald Eribune.

MONDAY, JUNE 1, 1992

### CAPITAL MARKETS

### Suddenly, Heebie-Jeebies Over Dollar Grip Market

By Carl Gewirtz
International Herald Tribune

ARIS — The foreign exchange market went manic-depressive last week, ending on the downbeat. Analysts forecast further declines for the dollar because of a major shift in sentiment about the outlook for the U.S. economy and renewed worries that the huge gap between short-term dollar interest rates and Deutsche mark rates may yet widen. The depression came out of the blue and although it cost them dearly, foreign exchange traders were impressed by the effectiveness of the Bank of Japan's assault on the dollar early Friday.

A surprisingly large

drop in M-2 money

supply undermined

confidence in the

currency.

The end of the month is always the marker's least liquid period and last week that was even more the case than usual because senior traders were in Austra-

lia at the annual Forex convention. That meant trading desks were staffed by dealers who were least likely to put up

. In addition, the market was "long" on the dollar. Earlier in the week there had been a rush to buy the currency after a report that Saudi Arabia had

shifted position to favor an increase in the price of oil. The dollar hit a midweek high of 1.6390 DM and 130.30 yen and the surge against the mark was widely read as a signal that the dollar was

headed for its long-awaited revival.

Doubts surfaced later in the week about whether the Saudis. Doubts surfaced later in the week about whether the Saudis were intent on pushing up the price or only trying to send a message opposing the proposed European Community energy tax. But what really undermined confidence that the dollar was about to speed ahead was the surprisingly large drop in the M-2 measure of the U.S. money supply, which awakened concern that the Federal Reserve might again cut the cost of overnight money. Thus, when the Bank of Japan started selling dollars early Friday in Tokyo the market was already jittery about having been too optimistic and in no mood to put up a fight. The speed with which the dollar fell rattled even professional traders.

which the dollar fell rattled even professional traders.

Simon Crane, a London-based adviser to technical analysts, said the retreat was "a significant failure" for the dollar that confirmed it remains in a downward trend.

THE DOLLAR ended the week at 1.6080 DM and 127.60 yen. Talk in Tokyo was that it would now move down to around 123 yen. European traders were talking about 1.54

"The market is tired of trying to drive up the dollar," said Julian Symmons, Citibank's head trader in London. He does not expect it to move up again until the market has clear evidence that the Fed has finished easing or that Germany is ready to ease. Whereas the week began with sentiment strongly anticipating

an imminent narrowing of the nearly six-point gap between short-term U.S. and German interest rates, the week ended with traders again questioning whether it might widen.
The slow growth in the U.S. money supply was only part of the

ne slow growth in the U.S. money supply was only part of the problem. On Friday, the Commerce Department reported a revised first-quarter estimate of 24 percent growth in gross domestic product. That was lower than optimists had been projecting, and the data showed no real decline in inventories—not a good omen for growth in this quarter. A further dampener was contained in the Chicago purchasing managers' index, whose employment commonent dropped more than 6 points to 46.11 employment component dropped more than 6 points to 46.11

from 52.78 percent.

Bundesbank officials also made clear last week that despite the recent modest slowdown in money supply growth to an annual 8.8 percent there would be no reduction in interest rates until inflation abates and money growth returns to the targeted range of 2.5 to 3.5 percent. .

The Japanese attack on the dollar appeared aimed at deflecting foreign criticism that Japan is running an unduly large trade surplus. A weak yen against the dollar tends to aggravate that

trend by making Japanese exports cheaper.

But Giles Keating, London-based economist of Credit Suisse First Boston, noted that the move also would help Japan's banks meet their capital adequacy ratios by lowering the yen value of

Analysts are agreed the higher value of the yen also opens the way for the Bank of Japan to further spur growth prospects by lowering interest rates.

Brendan Brown, London-based economist at Mitsubishi International Finance, expects a Japanese interest-rate cut combined with a supplemental budget to boost spending to be announced around the time of the Group of Seven summit meeting early in

July.

The spending program will keep long-term interest rates up and that, along with the enhanced growth prospects, will prevent

See DOLLAR, Page 13

### CURRENCY RATES

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Other Dollar Values S. Ker. wee 781.50 S. Afr. rount 2.832 Swed. krone 5.8575 Tolken 5 24.67 Turkish lire 3659.00 UAE Serbono 3.6727 \*Official rate. \* Tourist rate (commercial rate: 1.898) Forward Rates 1,7945 1,6346 1,4818 Posed Sterling Destroite mark Swiss franc Swites trans.

Sources: NMB Bank (Amsterdam): Industriz Bank (Brussels); Banco Commerciale Holland

Sources: NMB Bank (Amsterdam): Industriz Bank of Takvo (Takvo); Royal Bank of Conada

(Allian); Banaus Nationale de Paris (Paris); Bank of Takvo (Takvo); Royal Bank of Conada

(Thermala); IMF (SDR); Gosbank (ruble), Other data from Reulers and AP.

### Last Week's Markets

All figures are as of close of trading Money Rates Stock indexes May 29 May 22 **United States** May 22 Chies United Stafes May 29 3V2 6V4/6V2 Discount rate 3,386.77 + 0.30 % 3,396.00 - 0.27 % 1.376.49 - 0.46 % 390.22 + 0.16 % 414.02 + 0.39 % Prime rate 213.45 1,370.14 Federal funds rate 394 4 23/32 492.47 3-month interbank 44 417/16 5& P Ind - 0.29 % NYSE CP -027% FISE 100 2,715.00 I ombard 2,707.60 FT 30 t8.221 + 0.69 % <u>Japon</u> Nikkei 225 1,802.96 +0.01 % Germany DAX . Mary 29 - Mary 22 Chrys. Hone Keed 598.90 -0.22% London s.m. fix.5 337-50 337.70 -0.05% <u> فلامی</u> World MSCIP

and the second second

### Australia Weighs Merger of 2 Airlines

SYDNEY -- The Australian government is considering merging Qantas Airways, the flag carrier, with the domestic operator Austra-lian Airlines as part of its shake-up of the aviation industry, Prime Min-ister Paul Keating said on Sunday. He said that about 70 percent of the merged airline could be sold to

local and international investors. "What we are contemplating is the building of an international competitive aviation market in Australia so that the interface between international aviation and domestic aviation is not the broken one it is now," Mr. Keating said on television. "One of the options we are looking at is the merging of Qantas and Australian Airlines."

He said the restructuring of the market would mean domestic airlines would be given a chance in fly internationally. "And that will mean building two, at least two, international carriers," he said. Australia's other major domestic

airline is Ansett Airlines, owned equally by Rupert Murdocb's News Corp. and the international transport group TNT Ltd.

The government has already announced plans to sell 49 percent of Qantas and 100 percent of Australian Airlines to raise about 3 billion Australian dollars (\$2.27 billion). "If we roll the two into a merged

entity," he said, "one of the options for us is to sell the value of 100 percent of Australian and 49 percent of Qantas in the merged entity, which would probably run out to about 70 percent."

Mr. Keating said it was possible an international airline could take a

management role in the new carrier. Asked whether the government would consider selling all of Qantas, Mr. Keating replied: "That is again an option." But he said sale of all of the airline would require approval by the governing Labor Party.

Qantas and Australian Airlines

have expressed interest in buying each other. Singapore Airlines has said it is interested in taking a stake in Qantas, Industry sources have said other prospective buyers for Qantas and Australian include British Airways and Air New Zealand.

**Brussels Notebook** 

generous "export refunds."

The latest investigation of European Com-

munity farm payments by the EC Court of

Auditors contains some idea of just how few

companies actually receive the Community's

By focusing on refunds received by indi-

vidual companies, and connecting subsidiar-ies to their parents, the auditors found that a

handful of large concerns get most of the EC

subsidies from the disbursement end.

largesse. Past audits had instead looked at

The major beneficiaries are not necessarily

the producers of food, but the multinational

traders, and not necessarily EC companies,"

Committee of the European Parliament.

Italy's Ferruzzi Finanziaria SpA.

said John Tomlinson, a member of the Budget

Officials declined to identify the big recipi-

ents, but experts say the top companies ex-porting EC agricultural goods include Swiss-based Nestle SA, U.S.-based Cargill Inc. and

A Brussels source said that about 10 per-

cent of the companies that receive EC export

refunds get 80 to 90 percent of the bounty.

The controversial refunds, paid to compa-

nies that export the EC's surplus agricultural

production, represent the difference between

world market prices and the much higher sub-

sidized prices paid to Community farmers.

Insiders expect the EC Commission to soon

propose a sweeping overhanl in voice tele-phone services in a bid to end the cozy monop-

olies enjoyed by national phone companies.

The Commission excluded voice telephony

from 1990 legislation that bberalized most

Adien Phone Monopolies?

### **GPA Seeks Clear Takeoff for Stock Sale** By Steven Prokesch Carriers have already found that leasing

New York Times Service

LONDON - Tony Ryan, the founder and chairman of GPA Group PLC, the aircraftleasing giant, seemed unusually subdued the other day for a man whose company, after a year's delay, was about to go public, thereby confirming his status as one of the richest men in Ireland.

If the public offering in the United States, Europe and Japan goes as planned, investors will pay \$10 to \$12.50 each for 80 million new and existing GPA shares.

Some analysis, though, warn that the world-wide travel slump could hurt GPA's ability to raise the hoped-for \$658 million in the sale. And that could jeopardize its ability to pay for one of the world's largest orders for new jet-liners and turboprop planes — one that would more than double the 420-plane fleet it now owns or manages and would consolidate its position as one of the leading plane lessors. If GPA is not a household name, this Irish company is well-known to the more than 100

airlines to which it leases planes. Smaller airlines or carriers in developing regions dominate GPA's customer list, but it also includes big carriers like American Airlines, Delta, Swissair, Air France and Iberia.

With airlines unable to pay for the huge number of planes they believe they will need over the next 20 years, they are expected to turn increasingly to companies like GPA.

enables them to obtain planes they otherwise might not be able to afford. It also increases their flexibility to adjust their fleets to the changing demands of their markers. With its large purchases. GPA can wring 20 percent to 25 percent discounts from manufacturers, and it passes part of the savings on to airlines.

By aggressively seeking out airline customers and by employing innovative financing techniques, GPA has become the world's biggest operating lessor of planes built after 1985. It already holds an estimated one-third of the market.

lis only significant rival in operating leases, those in which the lessor retains ownership of the plane, is the Los Angeles-based International Lease Finance Corp., with 162 planes. GPA accounts for 48 percent of the orders and options placed by operating lessors, twice the share of International Lease.
As of March 31, GPA and its joint ventures with aerospace companies had placed firm orders with manufacturers for 308 planes to be delivered through the year 2000. The or-ders, totaling \$11.9 billing, represent about 10 percent of manulacturers' backlog of firm orders. GPA has options to buy 220 more planes for \$9.1 billion.

The stock offering is essential if GPA is to raise the more than \$7 hillion it needs in pay for planes scheduled for delivery in the next three years. GPA has \$2.5 billion in unused

credit lines from hanks. Its debt already totals \$4.16 billion, or 3.4 times shareholders' equity, and GPA cannot allow its debt to rise by more than \$1.07 billion on a sustained basis without breaching debt covenants.

Reflecting the pressing need for the stock sale. Moody's Investors Service Inc. has placed \$1.8 billion of GPA debt securities under review for a possible rating downgrade. "The outcome of the share offering will influence our decision, but we also wanted to take another look at the long-term fundamentals of the air travel industry," said Charles P. Mancuso, an analyst at Moody's. Another reason for GPA's offering is that

twn of its biggest shareholders, Aer Lingus and Air Canada, need money to modernize their own fleets. The shareholders planning to sell part of their stakes - the two airlines and some financial institutions — stand to make up in \$285 million. GPA's rither large shareholders include Mitsubishi Trust & Banking Ltd., Prudential Insurance Co., Long Term Credit Bank of Japan, Irish Life

Assurance and Cinicorp.

Mr. Ryan is not selling any of his 18.7 million GPA shares, which could be worth as much as \$234 million. So why isn't he jubilant? "I have a heavy cold." Mr. Ryan, 56, said during a recent lunch with reporters at GPA's headquarters near Shannon Airport.

There are nther reasons that Mr. Ryan See GPA, Page 13

United States,

### **Economy** Picks Up In Britain

### Gain Is Reported In Manufacturing

LONDON - Britain's economy. s poised to recover after nearly two years of decline, according to two reports for publication Monday. A report by Cambridge Econo-

metrics, a private forecaster, said the economy would resume expanding in 1992 thanks to export growth and a sturdier housing market. The latest monthly survey by the Institute of Purchasing and Supply

also suggested economic recovery. While the Purchasing Managers' in-dex fell slightly in May to 53 percent from 55.1 percent in April, it stayed above the 50 percent level that indicates the economy is expanding.
"The survey suggests that signifi-cant economic growth is under way

in the manufacturing economy. said Jim McColl, marketing services manager at the institute. Britain's industrial economy has

suffered seven quarters of decline as a long period of high interest rates designed to tame inflation hit indus-try hard and sent consumer confidence plummeting. But interest rates are now falling and the economy is slowly beginning to respond.

Cambridge Econometrics ex-pects a gradual recovery this year to accelerate, "For the whole economy, a slow recovery is expected in 1992, but year-on-year growth is expected to accelerate to 3 percent in 1993 and to be sustained at or above that rate for 1994," it said.

The report is in line with the British Treasury's economic pro-jections, which foresee the economy expanding 1 percent this year and by over 3 percent in subsequent years.

Economists at the Cambridge group believe the sharp falls in mortgage rates over the past year have increased disposable incomes,

"The potential for recovery in the housing market is now more firmly based than it has been for the past three years. The ability to purchase houses has returned to the pre-boom levels of 1988 and will continue to improve," the report said.

### U.S. Fare Cuts Threaten Airline Profits

By Agis Salpukas New York Times Service

NEW YORK -- When Robert Crandall, the determined chairman of American Airlines, jolted the struggling industry with a new fare structure seven weeks ago, he sought to discipline the industry and the business traveler by curbing the use of dis-

count fares and nther loopholes. Nevertheless, part of his fare structure was undermined within weeks by carriers desperate for traffic.

But Mr. Crandall does not back off easily. This week, in response to a two-for-one fare plan by Northwest Airlines, be jolted the industry again by cutting the lowest fares in balf, in a gamble to raise traffic and to send another warning of his determination.

American also cut back the advance purchase requirement to 7 days from 14. The rest of the industry quickly followed. Although the move was bold and may have the desired effect of keeping American's fare struc-

Only a Happy Few Enjoy EC's Export Largesse

other telephone services, but Sir Leon Brit-

tan, the competition commissioner, says the

The Commission is expected to unveil its

new plan before the summer break, and the

blueprint will likely reserve only a small part

of the market as the exclusive domain of the

EC statistical wizards have begun includ-

ing the eastern part of Germany in economic

forecast charts for the first time, which

pushed next year's unemployment prediction

pected to total 10.5 percent in 1993 if territo-

ry of Eastern Germany is included, while the

figure would be 9.7 percent excluding Ger-

In Brussels, a white postcard asking the

"I was there for hours one time, waiting in

line at one building after another before I

finally got my package." a 12-year Brussels resident said of the massive complex where

parcels mailed from outside Belgium are held

But come Jan. 1, visits to Rue Picard or its

cousins throughout the Community will be-

come increasingly rare due to completion of the EC's internal market. Tax frontiers be-tween member states will disappear, and tax-

related customs checks will therefore be elim-

recipient to visit Rue Picard is about the least

An End to Parcel Bombs

many's five easternmost states.

prestigious invitation imaginable.

The Community-wide jobless rate is ex-

**Counting Jobless Germans** 

national phone companies.

above 10 percent.

for customs checks.

EC "should now reassess this position."

ties. Airline stocks were ham-mered after the annuncement, reflecting investors' fears that air-

revenue dwindle when American slashed the full-coach fare on April 9. If they are now pushed to

'The current domestic price war could very well tear down the North Atlantic pricing structure.

Julius Maldutis, analyst at Salomon Brothers.

lines would lose money by selling tickets at fire-sale prices.
Philip Davidoff, president of the American Society of Travel

Agents, said that over the long term, passengers would be hurt. Given the tremendous lesses suffered by the airline industry over the past year, including the Chapter 11 status of several carriers, this promotion will be extremely costly to the industry," he said. "It could easily push

weaker airlines over the edge at great cost to consumers." Weaker carriers like Trans World Airlines, Continental Airthe wall, that could enable the stronger carriers to increase their

Big carriers like American, United Airlines and Delta Air Lines have large international route networks that have shown substantial increases in bookings. Thus, they are now in a better position to handle poor domestic traffic at lower fares, because they could make it up on their international routes.

But Julius Maldutis, airline analyst at Salomon Brothers Inc., said, "The current domestic price war could very well tear down the

inated for shipments within the Community.

uncomplicate gift-giving and also make it far

casier for people to change their residence from one EC country to another.

"It will be a big thing for people separated from loved ones who receive lots of items in

the mail," said a top aide to Christiane Scriv-

Currently, goods sent through the mail for

personal use valued at less than 110 Europe-

an currency units (\$138.60) are, in theory,

supposed to be able to circulate freely in the

Community. The tax-free ceiling is 600 Ecu

for items carried across borders. In practice,

however, national customs officials frequent-

ly open packages to check the contents before a parcel is delivered, or hold the package at

Rue Picard-type depots so it can be opened in

If goods sent through the mail are valued at

more than 110 Ecus, customs officials now

require that the recipient pay the difference between the value-added tax in the countries

of origin and destination, Items shipped from

Britain to Belgium are therefure subject to an

additional 2 percent tax, because the respective VAT rates are 17.5 percent and 19.5 percent.

their point of sale, and there are no limits on

the value of goods that can be taken from one

EC country to another, so no customs decla-

will remain subject to rules on customs decla-

ratinus and are liable for VAT at importation

Goods imported from non-EC countries

shipped it on barges to Jari. He

cleared thousands of acres of forest

to make plantations without know-

In 1982, after Mr. Ludwig had

invested more than \$1 billion, the

ing fully what was on them.

Brazilian companies.

As of Jan. 1, items will be taxed only at

the presence of the recipient.

ener. the EC taxation commissioner.

The changes, say EC officials, will greatly

Charles Goldsmith

Northwest did. American's new structure was already forcing more business travelers to fly at full-coach fare. which would lead to greater profits. But Mr. Malduns said that

ture." because with so many do-

mestic bargains, travelers may

decide to take a vacation in the

On the positive side, Mr. Cran-

dail's move could cow the other

big carriers into not running their

own special promotions, as

because of the new price war, the prospect for any third-quarter earnings have vanished."

He added that it was doubtful whether the lower fares would lead to a big surge in bookings in

the long run.

A big problem for the industry is that while the fares are bringing new bookings, thousands of travelers who held tickets at higher fares were turning in their tickets. Thursday to get the lawer fares. Thursday to get the lower fares. Thus, the industry is stealing from its future potential revenue.

### China Weighs Opening its Consumer Market

Compiled by Our Staff From Dispatches BELJING - China is considering a major reform to open up its buge consumer market to foreign companies, an official newspaper

reported Sunday. The time is ripe for the governket for the products of joint-venture and foreign enterprises," the China Daily quoted Tong Yi Zhong, deputy director of the foreign investment division of the Mr. Tong said the regulations and restrictions on foreign businesses should be asset in the regulations and Trade as committee and restrictions on foreign businesses should be asset in the regulations.

lations and Trade, as saying. The call for deregulation came at symposium attended by officials from 21 provinces and municipalrtics, the newspaper said, adding that a report calling for the change was sent to the State Council.

Such a change would mark a ma-jor shift in China's treatment of fureign businesses. China generally has encouraged foreign investment as a way to gain access to updated technology, while rightly restricting foreign ventures to prevent them from taking business away from Chinese companies.

Analysts said Mr. Tong's comments were part of China's efforts to avoid U.S. economic sanctions and to aid Beijing's application to join the General Agreement on Tariffs and Trade.

The United States has set a dead- expected to make a decision on the line of Oct. 10 for China to open its proposal. (Reuters, AFP, AP)

face punitive sanctions that could cost the country billions of dollars.

"Foreign investors come here to make money, and the biggest at-traction condition here is the market potential," Mr. Tong said, "We ment to open up its domestic mar- must open our domestic markets and prepare preferential policies for foreign investors to make more

markets to more imported goods or

goal of treating foreign companies in the same way as the beavily protected state-owned industries. China's current foreign invest-

ment policy is centered on export processing with cheap labor, which brings in hard currency, and hightechnology transfers.

The pobcy also protects China's

state industries from competition with higher-quality foreign products. At least a third of the state enterprises are losing money. Mr. Tong said the reform would

allow freer access to the world's largest consumer market of 1.15

The newspaper did not say when the State Council, or cabinet, was

### In the Amazon, Two Ideas Contend for the Jungle's Future

rations are required.

By Julia Preston

JARI, Brazil -- In this northeast corner of the Amazon River basin, in a region of swirling rivers and flooded forests, two opposing groups say they have what delegates to this week's UN Earth Summit are seeking - the key to "sustainable development." Each contends that its way of using the natural bounty of the Amazon, the world's largest rain forest, is the right one, a model for tropical forests everywhere. Each claims the other is dead wrong.

Sustainable development is de-United Nations conference, which mercial loggers or ranchers. begins June 3 in Rio de Janeiro, remain in the Amazon.

lect what is there naturally. fined as economic progress was declared an "extractive reachieved with respect for natural serve" in 1990 by the Brazilian govresources. In the tale of the two ernment, in response to pressures Jaris, both sides have in fact made from Mr. Mendes's grass-roots gains toward using the Amazon's movement. By the laws governing

On one side is the Companhia do reserve is being expropriated from Jan, a Brazilian company that pro- the Jan Project. duces \$165 million a year in paper

Jari Project managers argue the
pulp from trees cultivated on reserve will only promote what they 247,000 acres (99,500 hectares) of plantations straddling the Jari Riv-

er. The Jan Project, as it is known, is there. It's a subbuman way to live,"

ism in the far reaches of the jungle. On the other side are some of the political offspring of Francisco

(Chico) Mendes, the rubber tapper turned environmental militant whose 1988 assassination focused world attention on Amazon deforestation. They are settlers who live in the shaded forest by harvesting products such as latex rubber. Brazil nuts and the oils and hearts of palms. In Brazil, they are known as "extractivists," because they do not plant these products, but only col-

About 2,500 of these families live in a 1.1 million acre area in Jari that delicate ecology without ravaging such reserves, the native forest it, but, so far, neither approach has can't be cleared to plant commerworked as an economic model. Jari cial tree crops, as the Jari Project shows how clusive the goals of the has done, or felled by outside com-

used to make up the new Mendes

Nearly three-quarters of the land

Jari Project's pulp operation. He a visionary gamble by an American turned Jari into a brisk operation argued that the lands taken over for shipping magnate and billionaire that churns out 300,000 tons of the reserve are poor in rubber trees and would be more productive if Jari could develop them as tree plantations and wetland livestock pastures.

Pedro Ramos, a leader of the National Council of Rubber Tappers, a union founded by Chico Mendes, vehemently accused the Jari Project of haphazardly razing rich natural forest and of failing to aid forest dwellers inside its property.

There are truths and mispercep- project was overwhelmed by finantions, gains and limitations on both cial losses. He sold it to a group of

> MATINVEST S.A. 103 Grand-Rue L-1661 LUXEMBOURG R.C. Luxembourg Nº B 32 496

NOTICE TO THE UNITHOLDERS OF MAT GROWTH FUND The Management Company of MAT GROWTH FUND has decided with effect from 29 th May 1992 to terminate the suspension of the determinate

oon of the net asset value and, in consequence, the issue, redemption, eachange and conversion of units of MAT GROWTH FUND European This suspension had been decided on 7th May 1992 by the Management

The Board of Directors

an experiment in industrial capital- said Nelson Lubi, a manager of the The Jari Project began in 1967 as In a decade the new owners named Daniel K. Ludwig. He pur- pulp a year, mainly for export to cbased a piece of the Amazon big-ger than Connecticut and Rhode Island combined. He bought a \$300 Europe. They phased out a type of tree Mr. Ludwig imported from Af-rica for his plantations, which nevmillion Japanese paper pulp fac-tory the size of a city block and

fungi. Instead, the new owners planted hardy and fast-growing eucalyptus and pines.

As part of the Jari Project's new efforts to care for its surroundings, homogenous tree plantations are See AMAZON, Page 13

### SAVE & PROSPER BALANCED FUND

SICAV (in liquidation) 45, rue des Scilles, L-2529 Howald Luxemboure B 22 B23

Notice

Notice is hereby given that an extraordinary general meeting of shareholders shall be held at the registered office, 45, rue des Scillas, L-2529 Howald, Luxembourg, on 24th June 1992, at 3:00 p.m., for the purpose of considering the following agenda:

1. to consider the report of the auditor 2. to close the liquidation.

meeting at 5:00 p.m. at the latest.

Shareholders are advised that no quorum is required for the holding of this meeting and the decision will be passed by a simple majority of the shares present and voting.

The liquidators

In order to be valid proxies duly executed by shareholders should be mailed to the registered office so as to be received the business day preceding the

growth while maintaining a broadly diversified investment portfolio designed to

The Annual and Summary Reports for the 1991/92 financial year will be available from the beginning of July 1992 and may be obtained either by means of the order form below or from the paying agents mentioned ebove or any Credit Suisse branch office in Switzerland. These will also provide the latest Sami-Annual Report and the Sales Prospectus.

Please fill in this form in block letters and return to: Credit Suisse, Investment Funds Subdivision, P. O. Box 590, 8021 Zurich

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### **DOLLAR:** Money Supply Gives Traders the Willies

(Continued from first finance page)

the ven from falling as short-term interest rates are reduced, Mr. Brown predicted.

Meanwhile, the prospect of a notes that quality as upper Tier 2 Brown predicted.

Walsin Lihwa

weak dollar may be good news for the international bond market. The consensus view is that once the U.S. recovery takes hold the dollar will rise to around 1.80 DM. Thus, current weakness may be seen as an opportunity to buy the dollar. Another 3 to 5 plennig lower."

said George Magnus, Londonbased analyst at S.G. Warburg, and the dollar would be a scream-But clearly last week the bond

market's mind-set was on stable if not rising interest rates as investors gobbled up a heavy flow of floating-rate notes, whose interest payment is tied to the fluctuations of short-term rates.

Three Italian banks - Banco di Roma, Credito Italiano and Istituto Bancario San Paolo di Torino - issued \$500 million of FRNs with coupons set between 15 and 25 basis points over the six-month interbank rate

largest bank, rated double-A by Moody's and single-A-plus by Standard & Poor's, issued \$100

To qualify for this high standing in the measurement of capital, the paper carries some risk for investors: In the event the bank's capital falls below the 8 percent minimum against risk-weighted assets; the bank will not pay any interest. The arrears, on which interest will be paid at the same rate as on the

To compensate investors for this risk of delayed interest, the coupon is set set 110 basis points, or 1.1 percentage points, over the inter-bank rate during the first five years. During that time the notes are not

capital level has been restored.

Thereafter, Den Danske can call the notes on any interest payment date, and the coupon rises to 2.5 bank rate - a clear incentive for basis points.

Den Danske Bank, Denmark's Den Danske to redeem the paper as early as possible.

Redeemable at 132.59 in 1997 to yield 8½%. Convertible at an expected 7 to 9% premium, Fees 2½%. Denominations \$10,000. Terms to be set June 3. (Jardine Fleming Inf L)

Sanwa Bank's Sanwa Finance Aruba also issued \$300 million of 10-year subordinated notes, but this issue counts as lower Tier 2 capital and carries no risk on interest payments, which are set at 50 basis points over the interbank rate for the first five years and 60 basis points thereafter.

This week, the market will see its first 30-year offering in the Euro-franc sector when Electricité de France taps the market for 2.5 billion French francs. The stateowned utility is expected to price the paper to yield 35 to 37 basis points over comparably dated French government debt.

investors last week gobbled up the first French-franc offering from a quasi-governmental German issuer, KfW International Finance. The industrial bank issued 2 billion francs of 10-year bonds carrying a coupon of 8% percent. Priced at 99.36, the paper was nffered to yield 35 basis points more than French government debt and subpercentage points over the inter-sequently traded at a spread of 28

### GPA: Will Travel Slump Hit Plane Lessor's Stock Sale?

(Continued from first finance page)

might be less than thrilled. Even if the shares fetch the hoped-for \$10 to \$12.50, that would be about a third below the level hit in mid-1990 in the private secondary market. Some analysts think even \$10 is

The offering is being made while the airline industry is climbing out of its worst strong ever. Economic problems plagning several countries, including the United States, and fears of terrorism during the Guif War kept many would-be travelers on the ground last year and prompted GPA to postpone the offering. Air travel fell for the first time ever, by an estimated 2 percent to 4 percent.

Weakened by the slump, many airlines have postponed or canceled the deliveries of ordered planes, analysts said. Although air travel is now recovering, a surplus of planes continues. In its prospectus, even GPA notes that "it is not possible to pre-dict how long this period of aircraft oversupply will last."

That, in turn, will affect the prices GPA can get for leases and the planes it sells to investors. All these factors will affect its ability to raise new capital.

Since Iraq invaded Kuwait in August 1990, prices for older jets like DC-10s and Boeing 727s have plunged by 30 percent to 50 per-cent, according to Avmark Inc., the U.S. aviation appraisal, consulting and publishing company. Prices of

jetliners built within the last five years, which had been rising, have been flat since then.

Reflecting the thugh times, GPA's profit margins in leasing shrank to 13 percent in the year ended March 31, from 21 percent the year before; the number of planes GPA and its joint ventures sold fell to 36, from 67. GPA makes most of its money by selling investors planes that airlines bave

Even so, GPA's profits rose 32.9 percent, to \$202 million in the last financial year by U.S. accounting

Mr. Ryan hopes investors will be impressed. "Having been through the worst year in aviation history, the company has performed very

### Corporate Profit Rise Spurs Hopes for More

NEW YORK — Will profits eatch up with the stock market? That was the hope raised last week when the U.S. government reported that after-tax corporate profits had leapt 8 percent in the

The number was better than the seers had expected and may well reflect the benefits of all the corporate restructurings that have gone on in the last couple of years.

The long recession in corporate profits started just as George Bush was preparing to be sworn in as president, well before most analysts figured out that an economic recession was coming. And although overall earnings seem to have turned up in the summer of 1991, it was not until Friday's report that things really seemed to be moving ahead.

For a while, it looked as if that increase in profits would spur the Dow Jones industrial average to a close above 3,400. But perhaps it was appropriate that share prices fell back late Friday. After all, if stocks could zoom while profits were stagnating.

should they not slip when profits are soaring? But another reason for the slip may have been the fact that

corporate cash flow — the money that companies have available for such uses as paying dividends, building plants and paying down debt — is not rising quite as rapidly as the profit numbers would indicate. In the 1980s, particularly after the Reagan tax cut of 1981, cash flow rose much more rapidly than profits, and the stock market eventually responded. During Mr. Reagan's eight years in office, corporate cash flow rose 78 percent, while profits climbed just 46 percent.

As profits fell early in Mr. Bush's term, cash flow also fell, but at a slower rate. Unfortunately, when the rebound came, cash flow rebounded less rapidly, gaining just 5.7 percent in the first quarter. The lousy profit performance of the past few years certainly has

not dragged down stock prices. That may illustrate the market's confidence that earnings will improve, or perhaps it reflects such other factors as the relatively low rates of inflation and rapidly falling short-term interest rates.

In some previous eras, notably the 1970s, high inflation and high interest rates depressed share prices despite rising cash flows.

In the short run, higher share prices appear likely. There is a lot of cash sitting in mutual funds, and short-sellers have stepped up their activity to levels that sometimes precede sharp market rallies.

But in the long run, a big gain in share prices is likely only if the report of rising corporate profits is followed by reports showing even bigger gains. That could happen — profits leapt 33 percent in the first nine months of 1983 — but it is far from being a sure thing.

By Bill Carter

New York Times Service

nounced a plan that would radical-

ly alter the way the television net-

stations, by charging the stations

fees to carry certain programs.

work deals with its affiliate

To explain the need for the

change, the network cited law prof-

its and increased competition from

cable networks, the Fax network

In the announcement, which was

issued Saturday after a meeting of

the affiliates in New York, Antho-

ny Malara, president of affiliate

relations for CBS, called the plan

"the most significant change in the

economic relationship between a

network and its affiliated stations

The move is expected to be vig-

orously opposed by many stations and could lead to some stations'

and program syndicators.

NEW YORK - CBS has an-

CBS Looks to Its Affiliates for Cash

in the past.

fewer CBS programs than they did

Neither NBC or ABC officials

could be reached for comment, but

in the past, when one U.S. network

has changed its compensation sys-

Networks have traditionally paid

stations compensation for carrying

a network's programming schedule

to establish and maintain the coast-

to-coast distribution needed to air

commercials on a national basis.

The compensation has varied, de-

pending on the size of a station's

But in the last several years, as

new owners have come to control

the networks and as profits have

diminished, many efforts have been

made to change the compensation

system. Reductions have already

CBS is in a position of strength

now and apparently felt able to

network, or to stations' carrying cant comeback in its performance, compensation payments.

taken place at all three networks.

television market.

tem, the others have followed.

### Data Push Treasuries Higher

### Signs of Modest Growth Ease Inflation Fears

Compiled by Our Staff From Dispatches NEW YORK - Most Treasury securities ended slightly higher last week, aided by data indicating that

the nascent U.S. economic rebound wattld be neither explosive nor in**flationary** 

The beliwether 30-year bond due in Navember 2021 slipped 5/32 on the week, to 101 28/32. Its yield

### U.S. CREDIT MARKETS

edged up to 7.84 percent from 7.83 percent. But shorter-term bonds all posted minor gains. Ten-year ootes rose 4/32 to 101 7/32, lowering their yield to 7.33 percent from 7.35 percent; three-year notes gained 5/32, to 100 13/32, and the yield fell to

5.73 percent from 5.79 percent. The market erased an early selloff ignited by indications that Saudi Arabia, a longtime OPEC pricing moderate, supported higher prices in a shift that could have added as much as \$3 to a barrel of oil this year, analysts said.

Milken, the imprisoned for-mer junk bond king, will try to

get his 10-year sentence cut by

testifying against a former col-

league this week, his lawyers

The defendant in the trial.

Alan Rosenthal, is charged

with helping Mr. Milken carry

out a scheme to give illegal benefits to one of Drexel Burn-

ham Lambert's largest clients.

especially in prime time in the past

its programs will be even more pop-

ular in the next television season.

year. The network is predicting that

Last year, CBS cut its compensa-

tion to stations from \$150 million

amount still left the network pay-

ing the most in compensation, al-

NBC instituted a plan to base com-

pensation more on the individual

CBS's chairman, Laurence A.

Tisch, has been known in feel that

the CBS stations already have the

becelit of being able to sell local

commercials on network programs

and should not require further in-

ducements to carry the network

The CBS network posted a loss

last year, adding to the corporate

performance of a station.

have said.

crude oil prices, drove bonds sharp- tory buildup in the second quarter. ly lower and pot the energy market assuming a modest pace of consince the Gulf War.

But by the end of the week, "investors reconsidered their reactions Latimer, vice president and chief market strategist at Wayne Gray of purchasing managers in the Chison Capitol Corp. "People are now

thinking oil may only rise \$1 or \$2." Data released Friday helped ease inflation concerns. Despite a great deal of trumpeting from the White House, revised first-quarter figures showed the economy grew 2.4 per-cent, only modestly better than the 2 percent rise originally estimated by the Commerce Department.

Maria Fiorini Ramirez, president of Ramirez Capital Consultants Inc., said the Commerce Department's revisions meant more inventories were left on shelves than previously thought.

As a result, Mrs. Ramirez said.

The news touched off a rally in "There should be less of an invenin the spotlight for the first time sumer spending. The bottom line is that second-quarter growth could

be weaker than expected." In addition to the revised gross to news on oil prices," said Trude dnmestic product numbers, traders were encouraged by survey results

> The overall survey showed that conditions in the manufacturing sector improved modestly in May. But the employment component of the index fell from April levels.

Those two reports provided the excuse to hold on" to securities, one trader said.

This week, market participants will receive a rait of economic data, including May employment statis-tics, due out Friday.

On Monday, the Nanonal Association of Purchasing Management will report its May index.

(NYT, Reuters, UPI)

### U.S. Hits Republics Milken Testimony Expected This Week **With Uranium Duty** NEW YORK - Michael R.

By Keith Bradsher

New York Times Service WASHINGTON - A half-dozen newly independent republics from the old Soviet Union, still fumbling their way toward free markets and fast food, have received a bracing lesson in American capitalism.

The Commerce Department said Friday that Russia, Kazakhstan, Tajikistan, Ukraine, Uzbekistan and Kyrgyzstan were selling uranium at unfairly low prices and proposed a punitive import tariff that would more than double the price.

The preliminary ruling, which will be followed by a final determination in early antumn, was issued in response to complaints from U.S. uranium producers.

The decision puts the Bush administration in the embarrassing position of moving to cripple exto \$121 million. CBS said that ports from some of the most impoverished republics while the United States is rallying internathough it is generally thought to have the best lineup of stations. tional aid for them and criticizing Western Europe for excluding goods from Eastern Europe.

Struggling to set up governments and find officials trained in Western economic practices, the republics made little effort to defend themselves in a case concerning one of their most important exports. "These guys are pretty naive over

there, and they have sort of a blind faith in the American system," said James C. Cornell of the Stamford, Connecticut, office of Nukem Inc., a German nuclear fuels trading firm.

in there and understand what Com- levels of \$7.80 a pound.

merce is doing. It's hard for Americans to understand."

The collapse of the ruble and poor living conditions mean that the republics' mining and are processing costs are the lowest in the world, so that their export prices probably do cover their costs with money left over for profits, Mr. Cornell said.

The Commerce Department's decision, which proposes a 116 percent tariff and requires importers to start posting bonds for this amount immediately, drew a blistering response from the republics' American lawver in the case.

"It appears that the left hand of our government does not know or care about what the right hand is doing, and the net result is to the detriment of the taxpayers and electricity consumers of the United States and the people of the six new struggling nations," said Frank J. Fahrenkopf Jr., who was the chairman of the Republican National Committee through most of the Reagan administration.

Current and former Bush administration officials defended the decising as the unavoidable outcome of a highly litigious and technical process over which they have little control. A long succession of laws bas

progressively limited the discretion of administrations to influence the results of trade cases for diplomatic and national security reasons.

If Friday's decision becomes final, as appears likely, then uranium prices on the spot market may

### Central Bank Prescribes A Strict Diet for Italy

month shock treatment of spendingcuts and tax increases to cure a huge public-sector deficit and get into shape for a united Europe, the central bank governor said.

The governor, Carlo Ciampi, said tough political decisions on the economy could no longer be

Solutions are needed immediately, in the next few weeks," he said Saturday in a speech at the bank's annual meeting. Otherwise, be said, the problems would worsen and "relegate our economy to a secondary position" in Europe, and italy "could be held responsible for becoming an abstacle to the whole construction of Europe."

Italy has been warned by its Enropean Community partners that it will be excluded from plans to wed the bloc's economies in monetary union unless it solves its deficit and inflation problems.

Still without a government after inconclusive elections in April, Ita-ly has a public sector deficit that is

ROME — Italy needs an 18. lion lire (\$133 billion) this year.

Mr. Ciampi said budget measures equivalent to 6 percent of the annual output of the economy were needed through the end of 1993. He said the principal areas for action - pensions, health, local government financing and public-sector wages were already well identified.

Banking sources said the budgetary action amounted to 90 trillion lire (\$75 billion) in spending cuts and tax increases.

The measures also would clear the way for a sustained recovery in the Italian economy from 1994, Mr. Ciampi said. The economy's performance this year confirmed the urgency of the need to act, he said, noting that inflation stood at 5.8 percent in May.

The lira's stability in the European exchange-rate mechanism the fundamental condition for inflation coming into line with that in other countries where it is lower, Mr. Ciampi said.

### Hanson Is Said To Look at Canary Wharf

billion (\$5.4 billion) project, which was placed under administration last week. It is owned by Olympia & York Developments Ltd.

Hanson, as saying. Lord White, chief of Han-

### MUTUAL FUNDS

| Bid Ask |
| Idx Eur | 10.74 | NL |
| Idx Por | 7.87 Bid Ask
WidGid 297 NL
USBosF 8.79 6.39
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TaxEx 10.46 NL
US GW 12.71 NL
Von 6762: 10.41 NL
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US G 10.51 10.75 14.43 15.03 10.24 10.67 9.14 NL 10.59 NL Augela Assela Balakit Assela Balakit Canvri Eginc Expir Prince Construction of the Con

### AMAZON: The Struggle Between Alternative Models for the Rain Forest (Continued from first finance page) and millions of dollars in losses to four new reserves in the region, cov-

interspersed with uncut forests to conserve natural diversity. Wastes from the roaring pulp

plant are cleansed in long decanting lakes. Pits laid open for kaolin and bauxite mines on the property are refilled and planted over with The project took several hundred tree crops.

Jari river fishermen and turned them into cance-riding cowpokes tending an experimental herd of 11,200 water buffalo from Pakistan. The buffalo fatten in the river's immense flood lands without disrupting waterlibes or fish runs. They provide cheap meat and milk for project employees. One buffalo veterinarian, Antônio Sergin Alves, confided that the secret to his success is "man-to-buffalo integration. You work for the buffalo," Mr. Alves said, "not he for you."

. The project directly employs 3,000 people and devotes \$20 miltion a year to houses, doctors, schools and other spending for the company town - a fortune compared with other towns in the re-

But as a model, it has hitches. Company officials believe that Jari will turn a profit this year - for the first time in its history. It took 25 years of agro-forestry trial and error make it work, the sort of resources ering about 100,000 acres.

One thing the Jari reserve did that anyone wanting to start a simi-The project inadvertently caused

lar enterprise will not easily find in today's tight global economy.

was to empower long-neglected jungle settlers by guaranteeing jungle settlers by guaranteeing their right to inhabit and use the problems. Hanging off the far bank forest, and giving them legal proof the river from the manicured tection against commercial loggers

On one side, the Companhia do Jari, a paper pulp producer that may finally turn a profit after 25 years; on the other, rubber tappers living at subsistence level.

sults that houses thousands of mi-forest down. grants who once worked for Jari or hope to someday. Underneath is a quagnure of excrement and trash dropped into the river, an uglier pollutant than anything the project spins off. The shantytown had 180 cases of cholera during an epidemic earlier this year, the highest per capi-

ta rate of any location in Brazil. Meanwhile, Brazil's president, Fernando Collor de Mello, is convinced that reserves designed to draw upon naturally existing forest wealth, like the Mendes area created at Jari, are important for protecting the Amazon. On May 21 he declared

company town is a shantytown on and ranchers who seek to bring the

A recent census shows that the reserve area has few rubber trees but is thick with stands of Brazil nut trees. Mr. Ramos said his rubbertappers union hopes to raise government funds to build small factories for shelling the nuts right in the forest, to break the monopoly that a handful of exporters exercise on the price paid to nut collectors. "We are going to climinate all the intermediaries and put the

profits in the hands of the produc-

But the market prices of Brazil

ers." Mr. Ramos promised.

unstable, and settlers often depend on primitive boats and pack animals to get them out of the forest. Even proponents acknowledge that production from areas like the Mendes reserve is not likely to lift them above bare subsistence. "The reserves are important in

the absence of other good solutions," said Mary Allegretti, a Brazilian anthropologist who fought for years for their creation. "So far, no one has come up with an economically viable solution for the Amazon," she said.

Both sides in Jari could learn something from each other, but confrontation seems more likely.

The Jari Project is seeking a gov-ernment license to clear 13,000 acres of native rain forest over the next five years to make wood chips to supply the pulp factory. Jari executives said they must have the new wood to avoid burning polluting fuel oils. But Mr. Ramos said the rubber-tappers' council op-poses forest clearing on principle and believes the area in question may be near the boundaries of a

new reserve. The tappers will have a range of Support. Maria Tereza Jorge Padus, the head of Brazil's environmental monitoring agency, is opnuts and other reserve products are posed to the license.

### Compiled by Our Swif From Dispatches LONDON — Hanson PLC was reported on Sunday to be mterested in belping to rescue London's Canary Wharf.

The Sunday Telegraph said the conglomerate had emerged as a potential savior for the £3

"We need to take a look at this in the national interest and in the interest of our shareholders," the newspaper quoted the chairman, Lord

son's U.S. operations, was quoted by the Sunday Times as saying. "We are interested in expanding into property, and if the numbers on Canary Wharf are right, we would be very interested."

(Reuters, Bloomberg)

### NATIONAL TANKER CO., (PVT) LTD ACQUISITION OF UP TO 7 YEARS OLD CRUDE OIL TANKER

1. National Tanker Co., (Pvt.) Ltd., Pakistan invites offers for upto 7 years old 70,000/95,000 TDWT crude oil tanker.

2. Cargo carrying capacity of tanker at 39 ft SWAD not less than 65,000 approx. Met. Tons.

3. Maximum displacement at 39 ft SWAD to be 95,000 Tons.

4. Tanker must be C.O.W/IGS/S.B.T. fined.

5. Tanker must comply with latest IMO/MARPOL/SOLAS regulations and be in possession of valid IOPPC. 6. Terms of purchase will generally be in line with Norwegian Sales Form 1987 subject to additions/deletions of clauses on mutual

7. Parties interested may obtain the "Invitation to Offer" documents on payment of U.S. dollars 1000 in the form of pay order or bank draft drawn in favour of National Tanker Company (Pvt.) Ltd., Karachi (Pakistan). Documents will be available from any of the following office on weekdays from June 02, 1992.

Administrative Officer National Tanker Co., (Pvt.) Ltd. 3rd Floor, PNSC Building, M.T. Khan Road, Karachi

Tele: 551843-45 Fax: 92-21-552206 Telex: 23844 CMTNK PK

◆Reginnal Representative, PNSC, 450 High Road, Ilford IGL 1UF London Tele: 81-514-2799 Fax: 81-478-3152 Telex: 884582 NFLEET G ● Regional Representative, PNSC, 24th Floor, 21 West Street, New York, N.Y. 10006 Tele: 212-809-3850 Fax: 1-212-514-8216 Telex: 427856

Regional Representative, PNSC, 1/F Tien Chu Commercial Building, 173-174 Gloucester Road, Wan Chai, Hong Kong Tele: 834-3231 Fax: 838-3717 Telex: 80644 PNSCR HX ◆Regional Representative, PNSC, C/o. Rais Hassan Saadi and Cn. P.O. Box 7, Dubai, U.A.E., Tele: 520011, 521515 Fax: 009714-527695 Telex: 45522 RAIS EM

8. The offers will be received upto 1000 Hrs on 29th June, 1992 at following address:

CHIEF EXECUTIVE, NATIONAL TANKER CO., (PVT) LTD., 3RD FLOOR, PNSC BUILDING M.T. KHAN ROAD, KARACHI - 74000 PAKISTAN. TELE: 551843-45 FAX: 92-21-552206 TELEX: 23844 CMTNK PK

9. The offers will be opened in the Committee Room of Planning Division, Block P. Federal Secretariat, Islamabad at 1400 Hrs on June 30, 1992 in presence of a high level Committee and the bidders who may wish to

### From Pretoria, Plowshares

# South African Arms Industry Shifts Gears

sions detonated by weapons experts shake a quiet corner of the South African countryside.

.T. \_\_\_ 55.. ... .

But profit, not military power, is the goal of the Swartklip explosives company's "Boulder Buster," a rock-breaking device being tested for sale to construction companies.

The arms industry, adjusting to a post-apartheid era, is weaning itself off a shrinking domestic market and deploying armies of scientists port an army fighting in Angola in convert to civilian production.

To ease the change, the state's Armaments Corp. of South Africa, known as Armscor, spun off its manufacturing base in April into a new profit-driven company, Denel Ltd., while retaining the job of **weapons** procurement.

Denel, also state-owned, accounts for I percent of gross national product. It aims to derive 70 percent of revenue from civilian goods by 1997. up from 15 percent now.

man, John Maree. "We have to to civilian production. make ourselves less rehant on a captive market" for military goods.

Armscor was founded to ensure arms supplies to the military when clear weapons technology in 1977. have to be cooled before cleaning. At its height the arms industry employed 120,000 people to sup-

and Namibia. Denel today employs products including missiles, artillery, tanks, helicopters, ammuni-

systems and chemical, engineering and electronic products. The government's military budget has been cut by 27 percent in real terms over the past three years. A promotional film produced by

tion, computers, aviation support

Reuters

JOHANNESBURG — Explocolder world," said Denel's chairSwartklip is one — busy converting

Swartklip and the LIW engineering company — maker of world class G-6 artillery — have developed a "kiln gun" that hlasts slag from the United Nations imposed an kilns. The companies say the device embargo on trade in arms and nu- saves money as the kiln does not

The chemical company Somchem is developing the nitrocellulose it uses in military propellants as a base for paints, lacquers and inks and for explosive accessories The group makes 70 percent of in the mining industry. Somehem also has developed a commercial device to allow parents to monitor the breathing of young babies.

> Trevor Gibbon, Denel executive director for aerospace, said the company would aim to enter the business of upgrading and servicing ci-vilian aircraft, and that his division was looking at possibly putting commercial satellites in space.

### **WORLD STOCKS IN REVIEW**

Amsterdam

The stock exchange posted moderate gains in the holiday-shortened week, with the CBS all-share
Strong overseas buying and a
index gaining 2.70 points to close at
one-percentage-point cut in local ened week, with the CBS all-share 215.10 on Friday. That was slightly below the all-time high of 215.50

hit on Wednesday. Volume was 7.2 billion guilders, with 2.5 billion in equities, down from 9.6 billion guilders the previ-ous week, with 3.1 billion in equi-

### Frankfurt

The market underwent a week of consolidation at a high level. The DAX spot trend index gained a mere 0.26 points to close at 1.803.22 points on Friday. The Commerzbank indicator rose 0.6 to

Both indicators reached their high for the year to date on Mon-day, at 1,811.57 and 2,043.80, re-

spectively.
Volume on the eight German exchanges totaled 27.337 billion

trading week, against 46,066 billion for the previous five-day week.

### Hong Kong

interest rates sent stock prices to

The Hang Seng Index gained an impressive 220.49 points, or 3.8 percent, during the week to close at 6.080.15 on Friday. That was slightly below the record high of 6,082.70 on Wednesday.

Average daily volume increased sharply to 5.837 hillion Hong Kong dollars from the previous week's 3.899 billion.

### London

Share prices recovered most of their losses by the end of the week. bolstered by gains on Wall Street. The Financial Times-Stock Exchange 100 Index lost 7.4 points over the week to close at 2,707.60 on Friday. The FT-30 Index rose 4.9 to 2,114.10.

The FT-SE 100 had dipped be-2,700 early in the week, de-

pressed by disappointing company results and negative economic indicators, as well as the collapse of the developer Mountleigh and the move of Olympia & York's Canary

Wharf project into court adminis-

Barclays Bank, the most exposed to O & Y debt, lost 4 percent on the week but Lloyds recovered, rising 2

### Milan

Share prices posted slight gains in cautious trading during a holi-day-shortened week.

The MIB index gained five points or 0.51 percent, to close on Friday at 980. Daily volume was about the same as the previous week with an average of 40 million shares worth 110 billion lire changing hands.

The election of a new president following weeks of political paralysis did not have much of an impact on the market and analysts said investors were awaiting the forma-

Share prices edged down slightly during the short week, with the CAC-40 index losing 11.81 points, or 0.5 percent, to close at 2,033.29

Some analysts said the market may have already peaked for the year having gained about 15 per-cent since Jan. 1. They said the mood remained pessimistic in the aftermath of comments by Finance Minister Michel Sapin roling out any near-term cut of French inter-

### Singapore

Share prices posted solid gains with the Straits Times industrial index gaining 57.97 points, or 3.95 percent, to close Friday at 1,524.69. The all-share index gained 13.85 to

worth 884.72 million Singapore

Share prices continued to advance, led by the financial, real, estate and auto sectors. The Nikkei Stock Average of 225'

selected issues gained 126.75 yen or. 0.7 percent, during the week toclose at 18,347.75 on Friday. The broader-based Tokyo Stock-Price Index added 4.62 points to

Average daily volume shrank to 226.1 million shares worth 205.7 billion yen from 283.8 million. shares the previous week worth 248.7 billion yen.

Guideline

### Zurich

The stock market posted moderate gains in thin trading. The Swiss Performance Index gained 6.12 points during the fourday trading week to close at 1,203.64 on Friday. Banks finished lower because of .

Volume for the week jumped 145 their exposure to Canary Wharf. percent to 340.51 million shares UBS lost 30 francs to 3,830, SBS was down 7 to 270 and Credit Suisse shed 15 to 1,975.

### Rise in Taiwan Dollar **Worries Businesses**

Churning Out the Rubles

prime minister, Yegor T. Gaidar, said on Sunday.

1991 and 79 billion in the first quarter of this year.

MOSCOW - Russia plans money creadon of 142 billion rubles in July, well above the amount issued for all of last year, the first deputy

The figure, which Commonwealth of Independent States televi-

sion quoted Mr. Gaidar as giving, is \$1.7 billion at the central bank's fixed "market" rate. It compares with only 89 billion rubles issued in

The sharp growth in money supply has failed to keep pace with soaring demand for cash in the Commonwealth caused by inflation, estimated at about 740 percent in the first four months of this year. The government, supported by the International Monetary Fund. has struggled to keep a grip on the money supply. But it is under growing pressure to ease the impact of market-oriented reforms.

TAIPEI - The appreciation of the Taiwan dollar to record highs last week is alarming monetary authorities and husinessmen, who fear it could hurt an export boom.

Buoyed by Taiwan's trade surplus and domestic interest rates that are well above U.S. rates, the local currency climbed to a record 24.90 to the U.S. dollar on Satur-

Foreign exchange dealers and economists said that pressure for appreciation was intense and that the currency, which has strengthened from around 27 to the dollar in mid-1991, was likely to continue

from a year earlier to \$4.03 billion in the first four months of 1992, is pushing the Taiwan dollar higher as exporters remit their earnings

back to the island. But husinessmen say profits are being squeezed and warn that a further rise in the dollar could seri-

ously hurt Taiwan's competitive-Foreign exchange dealers say the central bank has been intervening

in the market to slow the rise. Dealers say the central bank may be wary of intervening more strong-ly because of pressure from the United States. The U.S. Treasury in May accused Taiwan of manipulating the exchange rate and said the

Economists say Taiwan's trade Taiwan dollar should rise further.

### **BUSINESS BRIEFS**

### Coke Lifts East Europe Investment

ATLANTA (Reuters) — Coca-Cola Co. said on Sunday that it would invest nearly \$1 billion with its bottling affiliates to expand business in Central and Eastern Europe through 1995.

The announcement by the world's largest soft drink company came as it opened a \$30 million plant employing 200 workers in Gdynia, Poland. It plans to open another Polish plant later in the week.

In the plan, more than \$200 million is set aside for Poland, but Coke's biggest investment in toward of the Eastern Germany, where the company

biggest investment is targeted for Eastern Germany, where the company has multiyear plans to spend \$450 million.

### New Penalties Reported for Hyundai SEOUL (AFP) — The Korea Exchange Bank will punish 16 affiliates

of the Hyundai group for failing to collect cash repayment for loans to the group founder, Chung Ju Yung, and his family members, press reports An official of the state-run bank was quoted as saying the 16 compa-

nies would face strict monetary sanctions beginning Monday, including withholding permission for new industrial investment or real estate purchases and freezing of new bank credits.

### AT&T in Talks to Avert a Strike

WASHINGTON (Combined Dispatches) - Negotiators for American Telephone & Telegraph Co. and unions representing 125,000 workers resumed contract negotiations Sunday in an effort to avert a strike. AT&T's contract with the two unions, Communications Workers of America and International Brotherhood of Electrical Workers, expired at

Long-distance operators, technicians and customer representatives have threatened to walk off the job to press their demands for higher pay and better protection from layoffs. (AFP, Bloomberg) and better protection from layoffs.

### China Vows to Protect EC Patents

BEIJING (AP) — China pledged Saturday to strengthen protection of European patents, copyrights and trademarks similar to measures in a U.S.-China agreement on intellectual property rights protection.

The promise was made in response to demands by the European Community for the same protection of European pesticides and agricultural chemicals as China has agreed to provide for U.S. products, the

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official Xinhua news agency reported.



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# ADVERTISING SECTION

# Environment The Rio Agenda

### Guidelines for a Viable Future

On a warm spring evening in May, 37 people gathered in a room borrowed from a north London nursery school for an "open meeting" that had been sponsored by several local environmental groups. It was a scene that was being duplicated in communities all over the globe.

The main speaker was Felix Dodds, a fulltime environmental campaigner employed by the UN Association, a private, nonprofit group that supports United Nations environmental and humanitarian policies. His topic was the 10-day Earth Summit opening Wednesday in Rio de Janeiro.

"Whatever happens in Rio, it will change our lives forever," Mr. Dodds told his audience, many of their heads nodding almost imperceptibly in agreement. "This may be the best chance, the last chance, to save the Earth."

For once, not even environmental skeptics - those who see the movement as one long cry of wolf - are able to disagree with such broad statements that have been made by Mr. Dodds and thousands of other activists in similar informal meetings about the Earth Summit in cities and towns around the world in recent weeks.

Since the United Nations General Assembly resolved in December 1989 to convene the Earth Summit, which will draw 10,000 delegates and the largest gathering of world leaders in history, the conference has focused global attention on the environment as never

Formally known as the United Nations. Conference on Environment and Development, the Earth Summit has an ambitious schedule that encompasses a wide spectrum of complex issues, from the "big" general topics such as global warming and overpopulation to narrower, more specific questions such as biogenetic engineering and cleaning up industrial pollution in Eastern Europe and the former Soviet Union.

No matter what comes out of the summit, it has already succeeded in promoting new links between environmental and economic. issues. Just as study after study has shown that eradicating poverty is a surefire way to ease overpopulation in developing countries, one of the informal themes of the Earth Summit movement is "sustainable develop-ment" — the promoting of environmentally friendly economic advancement through

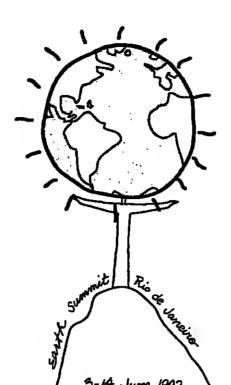
homegrown trade and industry rather than foreign-aid handouts.

Environmentalists hope that the conference will produce a sweeping "Earth Charter," more likely to be known as the Rio Declaration on Environment and Development, setting out the environmental rights and responsibilities of countries, companies and individuals.

The hope is that such a charter, if it were accepted at the conference, would ultimately assume the weight of "soft law" in much the same way that the United Nation's 1948 Universal Declaration on Human Rights has become a non-binding yet effective bench-mark of international law and diplomacy.

Almost certain to be endorsed by the Rio conference and signed by attending world leaders is the United Nations Convention on Climate Change. This treaty was originally drafted to force signing nations to commit themselves to reducing emissions of "greenhouse gases," such as carbon dioxide, that contribute to global warming. The United

Continued on Page 16



### Consensus: If Not Now, When?

Maurice Strong is secretary-general of the United Nations Conference on Environment and Development. In the following remarks, he stresses the crucial opportunity the Earth Summit offers the world to coordinate its efforts in managing environmental concerns.

As we move into the homestretch on the road to Rio, I am of course very pleased that President Bush has made known his intention to participate in the Earth Summit. Thus the United States will be manifesting its interest and leadership at the highest level in taking a leadership role to determine the destiny of our planet. The decisions at Rio will determine the prospect for the future of our planet and its people.

The UN Conference on Environment and Development, which will take place in Rio de Janeiro June 3-14 this year, will be the largest summit conference ever held and the first "Earth Summit."

The decisions taken at the summit will be based on more than two years of intensive preparations and negotiations by governments with the participation of a broad range of other intergovernmental and nongovernmental organizations and constituencies. These include scientists, business leaders, educators, religious and cultural leaders, trade unions, women, youth, indigenous peoples, parliamentarians and local government

As a result, world leaders assembled for the Earth Summit in Rio de Janeiro will have before them a series of concrete proposals that add up to a new global partnership designed to ensure the future integrity and sustainability of both the environment and the economy.

At the heart of these measures is Agenda 21. It comprises a series of 115 special interrelated programs covering a broad range of issues, from the disposal of toxic and hazardous wastes to the sustainable management of forests, biological resources, oceans, freshwater resources, ensuring food and energy security, safeguarding health and use of economic instruments to promote more environmentally sound and sustainable economic behavior by industry and individuals.

Just a few weeks ago, a major report, 'Changing Course: A Global Business Perspective on Development and the Environment," prepared as a contribution to the conference, was published by the Business Council for Sustainable Development. It lays down a wide-ranging agenda for action by industry to lead the transition to sustainable

The report calls for new partnerships between government and industry and between developed and developing countries to "overcome the inertia of the present destructive course." In particular, it challenges business leaders to participate in redefining the rules of the economic game.

This is reflected in the basic premise of Agenda 21, that the serions imbalances that today threaten the sustainability of both the global economy and its environment have arisen primarily from the pervasive and proliferating population growth of developing countries and the wasteful and environmentally destructive patterns of production and consumption of the industrialized countries. To redress these imbalances will require concerted action on both fronts. But the lead must come from industrialized countries,

Continued on Page 16

# 

### Agenda 21: The Issues

The UN Conference on Environment and Development "action plan" for the 21st cenniry, known as Agenda 21, calls for new levels of cooperation in seven major areas:

The Prospering World: Revitalizing growth with sustainability. Accelerating sustainable development through international and domestic policies, and integrating envi-

ronmental and development concerns in decision-making.

The Just World: Sustainable living. Com-

bating poverty, changing consumption patterns, demographic dynamics and health is-

The Habitable World: Human settlements. Urban issues such as water supplies, waste management and health.

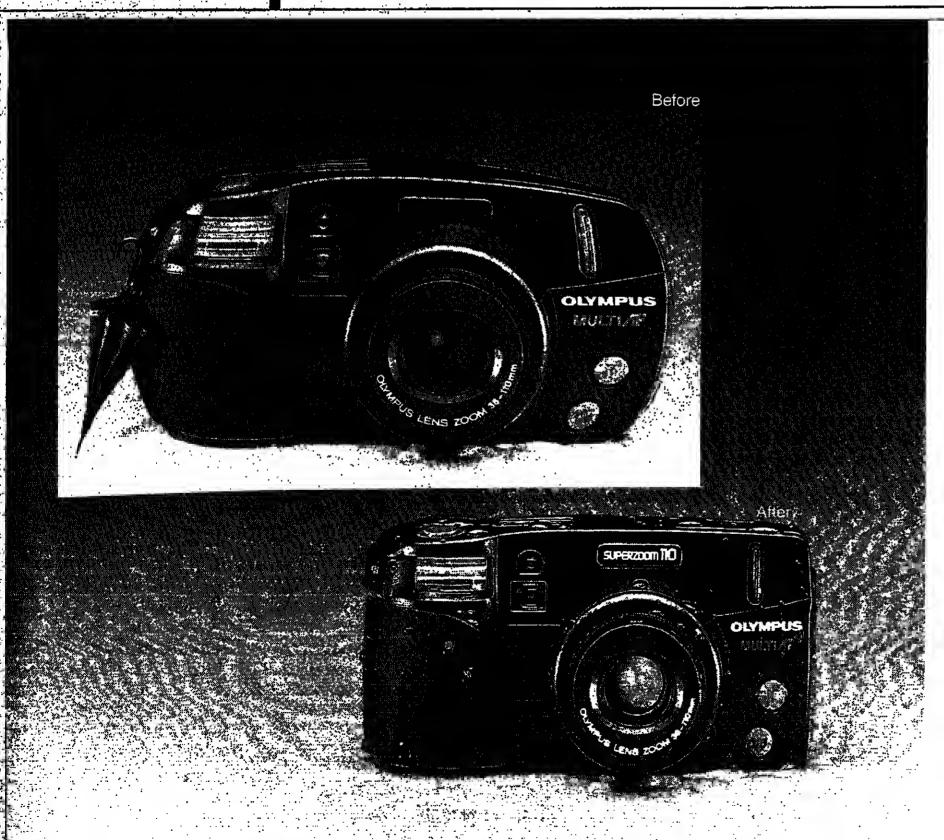
The Fertile World: Efficient resource use. Land and fresh water resources, energy, rural and agricultural development, managing fragile ecosystems like islands and mountains, and biotechnology management.

The Shared World: Global and regional resources. The atmosphere, oceans and seas. and living marine resources.

The Clean World: Managing chemicals and waste. Toxic chemicals and radioactive and other forms of hazardous waste,

The Peoples' World: People participation and responsibility. Education, training and public awareness, and strengthening the role of women, youth, indigenous people, private campaigning organizations, farmers, local officials, trade unions, business and industry, and the scientific community.

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### **ADVERTISING SECTION**

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### Developing Countries: Who Will Foot the Bill?

Top officials representing developing countries at the UN Conference on Environment and Development left home armed with loads of official statements, declarations and reports to back their expected calls for support through the long process of reconciling their development ambitions with environmental needs.



The acute awareness of the potential sacrifices dictated by these needs will translated into aggressive and

persistent demands for financial support to offset the political and eco-

nomic costs of environmental conservation. Overwhelmed by the prospect of imminent changes to achieve "sustainable development," the governments of developing countries are skeptical about the chances of a real global partnership to

achieve this aim. Describing Rio's gathering as "one of the most important interna-tional forums in UN history," UN Secretary-General Butros Butros Ghali issued a message of sympathy

with the developing world's concerns on the eve of the conference. "The conference will deal with the questions of poverty and the continuing degradation of a considerable part of humanity, a condition which must be addressed if the poor world is to join the rich world in the efforts to save and renew our planet," he said.

The developing countries strongly favor setting up a fund to finance programs and projects based on Agenda 21. Their representatives at various preparatory meetings, in-cluding the Second Ministerial Conference of Developing Countries on Environment held recently in Kuala Lumpur, issued a statement indicating that the expected decision on establishing this fund would be considered proof of the industrialized countries' goodwill and seriousness. Sharing the hopes of other developing nations that total funding for the process would be doubled to more than \$100 billion annually, or the equivalent of 0.7 percent of the industrialized countries' GDP, African countries are adopting a more aggressive attitude. The poorest group

of nations in the world expressed its position in a statement issued on behalf of the Organization of African Unity at the Global Coalition for Africa meeting in New York last March, warning: "It is beyond doubt that the Earth Summit may be an exercise in futility if adequate provision is not made for new and additional financial resources to implement Agenda 21."

The more seasoned aid recipients such as Egypt, which has been among the world's top aid receivers over the last three decades, realize that apart from the proposed fund, half of the aid previously earmarked for environmental protection has been neither allocated nor disbursed. While all developing countries know "there is a big cake to share," according to Salah Hafez, the chairman-incharge at the Egyptian Environmental Affairs Agency, the more experienced aid receivers will be seeking to secure a share of the cake by impressing the prospective donors attending the forum.

While they are eager to commit the developed world to support the

future process, the developing countries' terms for receiving this aid are likely to put them on a collision course with the donors. The public position adopted by the Kuala Lum-pur group is, "Programs must sup-port national priorities, must form an integrated package and should not be used as a new form of conditionality in access to development support or attempts to review national policies or strategies." More-over, they stress, "The implementa-tion of Agenda 21 programs will depend on the availability of adequate, new and additional financial resources and the transfer of environmentally sound technology to the developing countries on preferential and concessional terms."

While most developing countries fear that modern and environmentally friendly technology will not be readily accessible to them, a few examples suggest this can be achieved through the appropriate mechanism and negotiations, according to Ossama Abdel-Wahab, chairman of El-Nasr Castings company. He refers to ENC's new valve and pipe-fitting

plant, designed and constructed by the leading Swiss companies George Fischer and Vonroll. The plant, whose investment cost exceeds \$100 million, is the most modern foundry in the developing world. It has a dust-collection system through builtin pipes that filters out hot and harmful gases emitted by the molten metal as well as sand.

While the promise to cradicate poverty to prevent further abuse of the Earth's resources is acknowledged as a global goal, the prerequisite to achieving this has yet to become a global commitment. While governments in the developing world have, over the last three decades, welcomed technical and financial assistance to control population growth, the results achieved have been only partially successful. Projected to represent four-fifths of the world's population over the next 40 years, these countries realize that they will come under pressure to reduce these rates over a short period of time, but they remain undecided on the ways and means of doing so. Olfat El-Tohamy

### Forests Remain Sensitive in North-South Talks



Although deforestation has been cited as a key factor in numerous environmental degradation problems — air and wa-

ter pollution. biodiversity loss, global warming the creation of a convention on forest conservation designed specifically to address the issue has been stymied by both northern and southern reluctance to be pinned to specifics.

Negotiations on forestry issues at the fourth session of the UNCED Preparatory Committee meeting (PrepCom IV) in New York in April 1992 developed into a North-South face-off that reportedly led to the most acrimonious discussions of the

Most developed countries view resource utilization as a global matter in which each nation's use of its resources has a direct impact on the environment of all nations. Northern nations seek to establish regulatory bodies to control each country's use of its resources in the context of international requirements.

Developing nations view such regulations as interference in their economic development. The more vociferous critics regard it as a neoimperialist attempt to forestall their

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Forests have become pawns in the maneuverings between northern and southern nations, dimming prospects for a comprehensive Earth Summit accord to slow their destruction.

national development in order to preserve the economic dominance of the G-7 nations and their allies.

These countries also feel that because developed countries are disproportionately large consumers of natural resources and the world's principal polluters, it is incumbent upon them to clean their own houses before calling upon the developing nations to curtail their use of their own resources. They also want technology transfer and funding to implement conservation measures.

They have also succeeded in expanding the original, politically charged term "rain forests," which they felt singled them out as the sole despoilers, to "forests," which would include historic and current damage taking place in developed countries,

"The major gain is that the approach to forests was widened and deepened," says Bernardo Zentilli, senior forest advisor for UNCED in Geneva. "Previously, when we talked about the value of forests, we were only looking at the value of timber. Now, it is seen in a wider way: soil protection, water cycles, biodiversity, climate change, prod-

From North, South, East and West The People of the World are Coming to Rio for

**EARTH SUMMIT'92** 

ucts and services. The broader definition marks a shift in attitude; forest conservation is now seen as a global and political issue."

What will be discussed instead at the Earth Summit are what the Prep-Com IV document described as "a non-legally binding authoritative statement of principles for a global consensus on the management, con-servation and sustainable development of all types of forests." These so-called Forest Principles

include: (1) a nation's right to develop economically and socially; (2) the likelihood of future negotiations for a forest convention (opposed by the developing nations); (3) the global interests of forests (and thus, international determination of how a nation might utilize them); (4) the role of international cooperation in forest preservation; (5) policies for forest management and utilization; (6) historical compensation for forest loss; (7) technology transfer for the conservation and utilization of forest resources; and (8) recognition of in-digenous capacity and local knowledge of forests.

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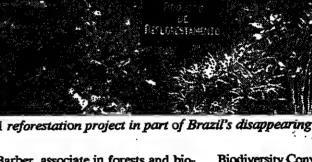
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of EARTH SUMMIT 92, Robert Rauschenberg has

vention on forest conservation, forest issues will be discussed as supplementary provisions of the Convention on Biological Diversity and the Convention on Climate Control, both of which are affected by the destruction of forests.

The Convention on Biological Diversity views forests as repositories for vital ecosystems and gene pools that ensure the vitality of plant and animal life. It calls upon the developed countries to provide financing and expertise to encourage and enable developing countries to conserve forests and to promote their socioeconomic growth.

This is a sticking point for several Western governments. "Some Western leaders are ideologically opposed to the Earth Summit," says Charles



A reforestation project in part of Brazil's disappearing Atlantic forest.

Barber, associate in forests and biological diversity at the privately funded World Resources Institute in Washington, D.C. They regard it as another way to disguise redistribution of wealth from the developed to the developing countries. Some American opponents feel that if the

Biodiversity Convention were signed by the United States, it would be a potent tool for environmental groups to confront the United States on its own forest issues like the oldgrowth forests in the Northwest re-

Steve Van Beek

### Guidelines for a Viable Future

Continued from Page 15

States objected, however, to the treaty's mandate that signing countries must reduce their carbon dioxide emissions to 1990 levels by the year 2000. The unspoken threat was that if the firm deadlines stayed in the treaty, President George Bush would

not attend Three weeks ago, at the close of more than a month of tough pre-convention negotiating in New York, a compromise treaty was approved that sets no deadlines but instead suggests that reducing carbon dioxide emissions "would be an appropriate signal by developed countries."

A few days later, President Bush confirmed that

he would indeed fly to Rio. thereby allowing organizers to breathe a huge sigh of relief after months of fretting that his absence would undercut the entire

The watered-down global-warming convention, however, is one of the few major issues that has been worked out before the summit opens. Major questions surround another U.S. convention on "biodiversity," which covers topics such as preserva-tion of existing plant and animal species, rehabilitation of damaged ecosystems and regulation of

biotechnology.
Perhaps the largest stumbling block is Agenda
21, the so-called "action plan" for environmental programs into the 21st

century. After decades of virtually worldwide agreement that the Earth's atmosphere, oceans, land. forests and species are worth protecting, Agenda 21 presents a framework for fighting the environmental threats. Agenda 21 offers what

the United Nations calls "the basis for a new global partnership for sustainable development and cnvironmental protection everywhere in an increasingy independent world." Its blueprint for change — a New World Environmental Order, it might be called - sets forth themes covering poverty, health, consumption patterns, land and water management, waste control and

education and training. How much of Agenda

21 is endorsed by the full Rio convention remains anyone's guess. Naturally, the more than 3,000 environmental groups and 160 nations attending, including more than 100 heads of state or government, all have their own priorities.

The bottom line, literally, of the Earth Summit will be the money that nations are willing to spend. The United Nations estimates that annual cleanup costs could be \$125 billion for the immediate future - in the developing nations alone. Costs for full global environmental cleanup, protection and conservation programs are estimated at up to \$625 billion, roughly 3 percent of the world's gross domestic product.

**Timothy Harper** 

### If Not Now, When?

Continued from Page 15

which, in the course of achieving their current unprecedented levels of affluence, have also produced most of the global risks we now face.

Developing countries share these risks and, indeed, are even more vulnerable to them. But most of their people are engaged in a day-to-day struggle for survival that drives them to destroy the natural resources on which their own future depends while adding to global environmental deterioration. At the same time, crushing debt burdens, trade barriers and the impact of global recession deprive them of the funds they require to revitalize the economic and social development they so desperately need and to cooperate in measures required to avert global environmental risks.

Full implementation by developing countries of Agenda 21 would cost an estimated \$625 billion per year, of which some \$500 billion would have to come from developing countries themselves through redeployment of their own resources. Some \$125 billion per year would need to come from external sources, \$70 billion more than current levels of official development assistance of some \$55 billion per year. While this is substantial, it represents less than 1 percent of the GNP of OECD



Maurice Strong: "Failure at Rio would suggest a massive breakdown in global cooperation."

The risks to the integrity of the Earth's environment and life-support systems must be seen as the most important and pervasive security risk we have ever faced. Once we accept the need to give global envi-ronmental security priority, the funds required can be made available by redeployment of existing re-sources, including funds released by reduced military expenditures and revamping of subsidies and tax breaks that encourage environmentally unsound practices. It is, after all, primarily through our economic behavior that we affect the environment. If we are to make the transition to sustainable economic behavior, governments must reorient the system of incentives and penalties that motivate that behavior.

More than 100 of the 175 member nations of the United Nations will be represented in Rio at the level of heads of state of government. This will make it the largest summit conference ever, and the first true "Earth Summit." Rightly so, because no conference in history has ever faced the need to take such an important range of decisions — decisions that will literally determine the fate of the

Failure at Rio would signal a massive and perhaps irretrievable break-down in the global cooperation that is indispensable to both environmental and economic security, which could deepen into a large-scale rich-poor conflict.

The challenge before all of us is to contribute our part in supporting our leaders in the exercise of their historic responsibility to ensure a more secure, hospitable and sustainable future for the entire human commumity as we move into the 21st centu-Maurice Srong



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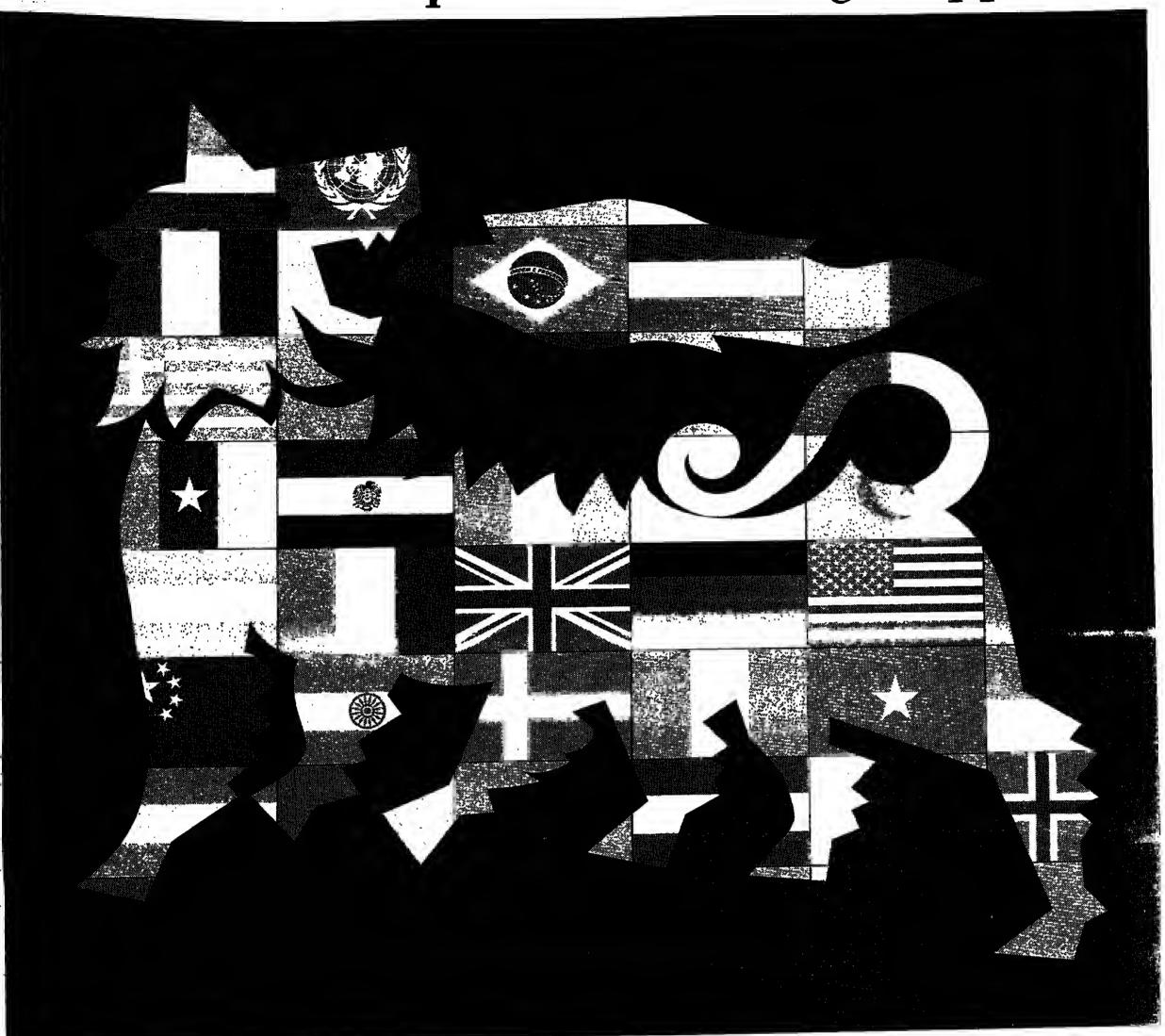
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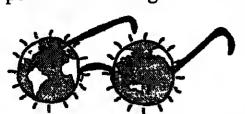
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ADVERTISING SECTION

### Business Sets Guidelines

According to UN studies, the world's 500 largest companies are responsible for 70 percent of world trade, 60 percent of foreign investment and 30 percent of world gross domestic product.

For Sustainable Growth



When Maurice Strong took on the job of secretary-general of the United Nations Conference on Environment and Development, he knew it was crucial for the international business community to be given a major role in preparations for the Earth Summit.

He reasoned that any treaties negotiated between governments at Rio would be handicapped without the participation of the multinational corporations that drive the world's economic machine. To ensure the active engagement of business, he turned to Stephan Schmidheiny, a 44-year-old Swiss industrial magnate who inherited a family fortune and parlayed it into a portfolio that includes substantial shares in companies like Asea Brown Boveri, the watchmaker SMH (Swatch and Omega), Landis and Gyr and Nestlé. Mr. Strong first encountered Mr. Schmidheiny at an environmental conference where the young Swiss delivered a speech calling for a sharp reorientation of business principles for an environmentally sound future.

From his years working in various developing countries conducting university studies and later running divisions of the family business, Mr. Schmidheiny developed a commitment not only to environmental affairs, but also to the development problems that plague the poorer countries. His response was to recruit 47 other leading corporate officers to form the Business Council for Sustainable Development.

The BSCD company roster now includes 1BM. Ciba-Geigy AG, Mitsubishi Corp., Asea Brown Boveri Ltd., Volkswagen AG and Lyonnaise des Eaux-Dumez, Establisbed to provide a business perspective at the Earth Summit, the BCSD will make a decision after the conference on whether and how to continue.

Mr. Schmidheiny, conscious of charges from some quarters that the council is no more than a public relations exercise to gloss over the poor environmental performance of many multinationals, is quick to admit that some members have less-than-ster-

ling records.

"Not all of the representatives on the board are actively pursuing sustainable development policies and actions now," he says. "But the issue of the environment, especially when it concerns sustainable development, is a very complex one for which businesspeople have never been trained. They don't have the experience or background, and the first thing they have to do is to gear up their corporations to handle the issues."

The first step in this process is a recognition of the limits to growth. The BCSD has been forthright in promoting this view as a premise for future economic development.

"Sustainable development is about redefining the rules of the economic game," Mr. Schmidheiny emphasizes. "Business leaders need to participate in devising rules, striving to make them simple, practical and efficient. But this also implies some restrictions on growth." He adds: "No one has quantified what restrictions there might be. There would be obvious limits as to what impact we would accept on the environment made by future growth. But those limits may bave a more significant impact on how development takes place than on limiting growth per se."

Since the BCSD first convened almost two years ago, the members have produced a document that outlines the principles businesses need to adopt for a sustainable future. The report, entitled "Changing Course," will be presented at the Earth Summit. The 374-page document covers setting prices on environmental destruction, energy, capital markets, trade, corporate management, technology cooperation, renewable resources (including agriculture and forestry) and sustainable development in developing countries. It also contains 38 international case studies of sustainable business practices.

Mr. Schmidheiny defends criticism leveled by many environmentalists that the case studies do not include the reprehensible corporate

policies of past and present.

"First of all, the sad cases are very well-reported around the world," he says. "Secondly, we know from experience that success is by far the most convincing argument for business-people. By showing successful companies and important leaders taking initiatives in environmental protection, we can give the best possible incentives to others to follow suit

and seek new opportunities."

While the report underlines the importance of free markets as the "cornerstone" of sustainable development, it also maintains that "the right signals" are crucial to bring real environmental costs into economic calculations. And number one on the BCSD hit list for any economic re-

form in the quest for sustainable development is subsidies, especially those for nonrenewable energy.

"Fossil fuels are subsidized to an incredible extent." Mr. Schmidheiny says. "This is crazy from an environmental standpoint."

Adds Torvald Aakvaag, a Norwegian executive for the state-owned conglomerate Norsk Hydro, who led the writing of the report, "Governments and business have failed to integrate the environmental costs of producing and distributing goods and services into economic decision-making."

To rectify this, the report recommends a new policy mix between industry and government that includes the following:

• phasing out subsidies that en-

courage waste and environmental degradation:

degradation:
• levying pollution taxes and

charges;
 introducing tradable pollution
permits and resource quotas;
 removing trade and other barri-

ers that restrict market access and

• reforming capital markets to foster iong-term private investment, savings, capital appreciation and wealth creation.

While these recommendations do not break any new ground in themselves, the fact that they come from a group of heavyweight business leaders could mark an important milestone in the long-running debate between government, environmentalists and the business community.

The BCSD's proposals for technology transfer are progressive and perhaps even practical.

haps even practical.

At a recent press conference, Mr. Aakvaag said: "Included in the critical elements of this technology cooperation is the development and training of people involved, upgrading the technology to remain competitive and the introduction of appropriate management systems and con-

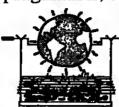
tinuous innovation."

The response of major environmental groups to the BCSD's report has been mixed. Greenpeace and others have dismissed it as well-intentioned but hollow rhetoric, while the U.S.-based Environmental Defense Fund calls it a "promising direction for the future."

Kevin Billinghurst

### Global Warming Debate: Reconciling Viewpoints

Whatever the outcome of the Rio summit, the positions taken on global warming will be laid out with at least as much heat as the subject itself generates. The subject encompasses all the dichotomies inherent in the international scene: developed vs. developing countries, business vs. environmentalists, idealists vs. pragmatists, scientists vs. economists.



Global warming, sometimes called the greenhouse effect, refers to the measurable rise in global

average temperatures due to the increased burning of fossil fuels. There is no question that concentrations of these gases bave increased notably since the Industrial Revolution. The result is not overall warming, but a general disruption of weather patterns with unpredictable changes, plus a rise in sea levels. A global rise of 10 meters (possible within the next 200 years, according to some scientists) would flood about 10 million square kilometers, or an area the size of China.

If the risks of global warming were ascertainable, agreement on solutions might be more readily forthcoming. But such predictions are fraught with risk, making the situa-tion one that U.S. pobticians — particularly in an election year - would prefer to avoid. The United States has staunchly resisted the imposition of a specific cap on fossil fuel emissions, limiting them to 1990 levels by the end of the century, as the Europeans bave proposed. To ensure U.S. participation, the draft treaty on global warming to be signed in Rio sets no timetable or deadline for reaching this objective. Among maior industrialized countries, only the United States has no clear targets for carbon-dioxide reduction.

While the United States is the world's worst polluter in overall terms and generates one-fourth of all carbon dioxide emissions, it currently contributes more than half of the world's climate research budget and has arguably the best-enforced oulution-control laws on the globe. It claims that such laws, including the 1990 Clean Air Act and other measures, will be enough to bold its carbon-dioxide emissions more or less to current levels by the 2000.

European politicians, on the other band, have adopted the policy of "no regrets." They insist it is better to act now and bave no regrets later than to wait until the risk is more measurable, when it may be too late. In November 1989, the European Community adopted a declaration stating the need to stabilize the emissions of carbon dioxide by the end of the decade. In October 1990, the decision was made to set 1990 levels as a baseline objective.

Declared the EC's environment commissioner, Carlo Ripa di Meana, "It is vital that Rio is not simply a media event [but yields] concrete decisions with binding obligations to achieve precise targets." He proposed an energy tax to belp Europe achieve this goal. Without such a tax, which would start at \$3 per barrel of oil and gradually rise to \$10 per barrel, a rollback to 1990 levels is considered unattainable. Although this tax is only part of a three-pronged strategy proposed by the EC two years ago, predicated on

"fiscal neutrality," it has caught the worst flak on the eve of Rio.

Mr. Ripa di Meana's announcement last week that he would not attend the Rio summit was linked to the refusal of EC environment ministers to endorse the proposed tax. Germany, Italy, Luxembourg, Denmark and the Netherlands objected that the plan was conditional on the United States and Japan's adopting similar measures.

Yet the Business Council for Sustainable Development, a high-level group of 48 industrialists, issued a report last month that also endorsed a value-added tax on energy, among other measures. One of the report's authors is Gabriele Cagliari, president of Italy's state-owned colossus ENI. He says that one factor boding well for the Rio summit is that, "Through the Business Council, those with corporate responsibilities are involved for the first time."

Japan has become more outspoken on environmental issues, but is internally divided about an energy tax. Its energy costs are already twice those of Europe, while its industries have improved their efficiency at a far greater rate than those of the EC. Nevertheless, it has endorsed changes in rich-country lifestyles. Sbozaburo Nakamura, the Japanese minister responsible for global environmental problems, recently stated; "Developed countries should funda-

ronmental problems, recently stated; "Developed countries should fundamentally change their urban structures, transportation systems and lifestyle from the current industrial-

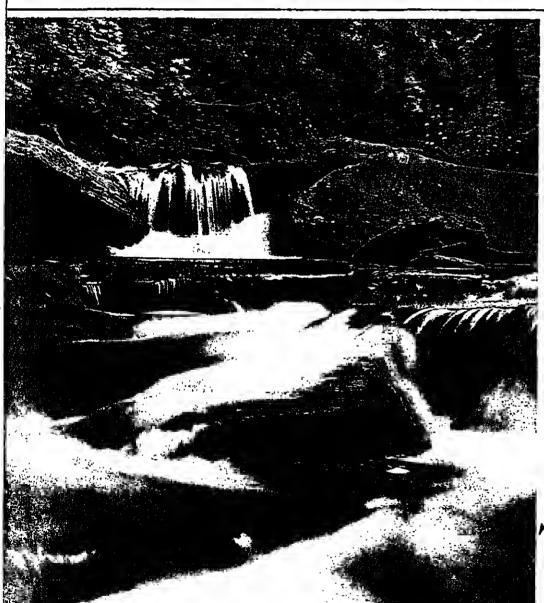
ized culture aiming only at economic growth for its own sake to one more environmentally sound."

These words ring hollow to the nations of the developing world, for whom mass production and consumption are still aspirations. At present, these countries contribute little to the problem of global warming. For example, points out Richard Mott, treaties officer of the World Wide Fund for Nature, "India produces only one-fiftieth of the warming gases per capita as does the U.S. The burden rightfully lies with OECD countries."

Yet the potential for future problems exists. So Rio will also try to look after developing countries' interests. The principal funding mechanism is likely to be the Global Environment Facility, a year-old organization created by the World Bank and some UN agencies. Its mandate is to assist developing countries in protecting the environment and to encourage the transfer of technology,

Perhaps there is a basis for optimism at the Earth Summit, as expressed by ENI's Mr. Cagliari. "It is impossible to predict the outcome," he admits. "You have only to think about the financial resources required to realize the proposed objectives; some talk about \$600 billion a year for 10 years — a mountain of money, but keep in mind that we spend double that amount each year for armaments."

Claudia Flisi



Technology Is Not A Dirty Word.

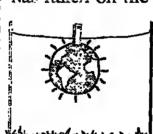
Technology. It's brought such progress, but at what cost? It's poisoning our environment—a great crisis of our time. This problem is linked to the problem of efficient energy use; to solve one you must solve the other. We're solving both. We've been at it for years, developing some of the most advanced techniques in the world to turn technology inside out. And make it what it ought to be: a clean clear word that works for the earth.



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### One Very Healthy Sector: The Growing Cleanup Industry

The cleanup of the environment has already created a major industry in the United States. Since the government share in the cleanup has been negligible, the responsibility has fallen on the shoulders of the private sector.



The U.S. Superfund, the federal bureaucracy mandated to clean up toxic waste sites, cleaned up only 30 (of 1,500) locations in nine years at a cost of \$7 billion, while private U.S. companies spend well over \$90 billion annually on pollution control.

With nations in Eastern Europe, Western Europe and the developing world adopting U.S.-style regu-lations, the companies that manufacture air and water emission controls, solid and liquid waste remediation and other environmental controls are experiencing explosive global growth. Waste Management Inc., the world's largest integrated environmental services company, bas been growing at over 20 percent per year since the original Earth Day in 1971. Revenue exceeded \$7.5 billion last year. Already-established

companies, almost all of them based in North America and Western Europe, are entering new markets with big advantages in experience, patented technologies and proprietary methods and reputation. The latter is perhaps most important, according to Columbia Business School Professor Geoffrey Heal, an expert in the environmental cleanup ousiness. "This is one of the most highly regulated businesses," he says. "It takes time and public relations to establish bona fides with regulatory bodies. An establisbed relationship with governmental bodies is a valuable asset."

In many cases, the only

factor bampering the growth of these companies is the lack of qualified environmental engineers. U.S. regulatory bodies are suffering from a brain drain as personnel rusb to join the private sector for much higher salaries. In other nations, the problem is more acute, since relatively few universities have similar engineering programs in place.

U.S. companies have been growing ever since Congress passed the Clean Air Act of 1970. The rate of growth is expected to increase despite the Bush administration's attempts to dilute the Clean Air Act of 1990.

"The market is much stronger in the near term in North America than internationally," says John S. Lally Jr., of the Pitts-burgh-based Environmental Elements Corp. "But we expect within the decade to have a much higher percentage of revenues from foreign markets." European companies have been attracted to the United States because of the established market there. ABB Flakt, for example, the Atlanta subsidiary of Zurich-based Asea Brown Boveri, was formed a few years ago in response to

federal laws.

Waste Management
Inc. has established remediation programs at 6,000
contaminated sites in the
United States within the
past 10 years and 4,000
radiation cleanups. It has
also been looking overseas
for new opportunities. In
April, it announced a public offering of Waste Management International
PLC, its London-based
overseas subsidiary, which
worked on the capping

and cleaning of the Kuwait oil wells after the Gulf War.

Altbough Enropean governments are generally playing catch-up with U.S. regulations, according to several sources, the European Community is expected to adopt most of the standards formulated by its most environmentally sensitive nations.

Waste Management is particularly active in Asia, where it is currently building the world's largest sewage treatment plant in Hong Kong. In May, it announced it would develop several projects with PT Bimantara Citra, an Indonesian company, beginning with a chemicalwaste treatment facility in West Java. The agreement exemplifies the direction of the environmental movement in developing countries. The World Bank has warned developing nations that they must include environmental safeguards in burgeoning industries if they are to secure international loans. It also says in a recent report that economic growth can be compatible with an improved environment if the developing countries commit themselves to major reforms — which could cost 2 percent to 3 percent of annual GDP.

Multinational companies fear liability suits resulting from setting up plants with potentially lethal side effects in developing countries. The situation was dramatized by Dow's experience in Bhopal, India. Professor Heal predicts that multinational conglomerates will subcontract toxic-waste disposal and safety features to blue-chip, heavily bonded companies that are specialists in their respective

Steve Weinstei

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ASDAQ NATIONAL MARKET Page 19 INTERNATIONAL HERALD TRIBUNE, MONDAY, JUNE 1, 1992 OTC Consolidated trading for week ended Friday, May 28.
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# SPORTS AUTO RACING

## In Monaco, Senna Ends Mansell's Streak

MONTE CARLO - Ayrton Senna of held on for an unexpected victory. Brazil, the reigning world Formula One champion, brought Nigel Mansell's five-race dramatie victory in the Monaco Grand Prix. Senna, in a McLaren, took the lead from

Mansell, the current championship leader, of Germany fourth in a Benetton-Ford. seven laps from the end of the race when Mansell suddenly pitted for a tire change. 50 minutes, 59.372 seconds. Senna held on under intense pressure to friumph by 0.2 of a second.

- Mansell, a Briton who has won every race since the season started, put together the fastest series of laps in the race in cut the Brazilian's lead from five seconds to virtually nothing, But Mansell, in his Williams-Renault, could not find a way of passing him. Senna, using the full width of the track to block his rival and the superinr power nn the

Orlando Routs

The Associated Press

Howard-Juhnson scored two

ORLANDO, Florida - Joe

Fire to Gain

World Bowl

straight of his Honda-engined McLaren, career," Mansell said, "but of course I'm "Still I gave it everything I had. You have the

It was the Brazilian's first victory of the season, the 34th of his career and his fourth winning streak to an end on Sunday with a straight — and fifth in six years — at Monaco. rear. I knew it when I came through the Riccardo Patrese of Italy took third in a Williams-Renault with Michael Schumacher Senna's winning time was a record 1 hour,

> 'The only hope I had of winning this race was to stay in touch in case something happened." Senna said. "Luckily for me, it hap-

pened when Mansell went into the pits and I was in the right place at the right time." "It was a great fight in the last 10 laps," he added. "He had new tires and I had no grip left and I did everything I could to stay in

very disappointed - especially for the team. We were in control for seven-eighths of the race and then I had a puncture on my left tunnel and I spun and nearly lost it."

Mansell was on his way to a comfortable win, taking the lead at the start and running up a margin to about 30 seconds by the end of 60 laps. He was consistently under the 1 minute, 24-mark on a course where Senna had the previous best during a race, 1:24.245

However the fast pace took its toll and Mansell was forced to pit for a tire change at the end of the 72st lap while leading by 28.8

race under control for seven-eighths of the way and you pick up a puncture. That's Monte Carlo."

"I have to hand it to Ayrton," he added. "He second-guessed every move I made. He was always in the right place at the right time. He was very fair."

Mansell had trailed Senna at the end of 72 laps by more than 5 seconds but came blaz-

He scorched through a lap in 1:22.9, then did even faster, 1:21.9, on the 74th. He was on Senna's tail with four laps left, but could not find a way to pass.

Mansell still has a comfortable lead in the drivers' standings, with 56 points. Patrese "As I got out of the pits I saw Ayrton pass has 28 points followed by Schumacher with "That must be the best second place of my me and I thought that was it," Mansell said. 20 and Senna with 18. (AP, Renters) (AP, Renters)

### **Up 3-0, Penguins Show That Cup-Winning Form**

CHICAGO - Good goaltending, good defense and good furture have the Pittsburgh Penguins

nf Orlandn'z three first-quarter touchdnwns, and Scott Mitchell threw three touchdown passes Saturday as the Thunder routed Birmingham, 45-7, to advance to the World League of American Football's World Bowl next Saturday in Montreal.

The Thunder will play the winner of the Barcelona-Sacramentn game, which was to be played later Sunday in Sacramento.

Birmingham avoided a shutout when backup Shawn Moore threw a 15-yarder to Eddie Britton with 8.59 left.

poised to win a second straight Na-

### STANLEY CUP

tional Hockey League Stanley Cup. With goaltender Tom Barrasso at his best — and luckiest — the Penguins beat the Chicago Blackhawks, 1-0. Saturday night in a thriller at noisy Chicago Stadium in take a 3-0 lead in the best-ofseven game Stanley Cup finals.

"Maybe this will teach everybody we're not a one-dimensional team — a Mario Lemieux-domi-nated team," said defenseman Jim Pack, whose shot from the left point became the game's only goal, a deflection off Kevin Stevens's skate at 15:26 of the first period.

The defending champtons can complete a sweep of the Black-

hawks in Game 4 Monday night the finals - the 1942 Toronto Maand become the first team to win ple Leafs. back-to-back titles since the Ed-

Barrasso and the Pittsburgh demonton Oilers in 1987 and 1988. fense formed a devaststing combi-The 3-0 hole is a big one for the nation for the Blackhawks in Game Blackhawks to elimb out of. Only 3. Stevens's goal was all Barrasso one team in league history has needed as he made 27 saves, many come back from a 3-0 deficit to win of them spectacular.

### Lemieux Assails Graves Over Slash

The Associated Press

CHICAGO - Marin Lemieux broke his silence, accusing the New York Rangers' Adam Graves of intentionally hurting him in the second round of the Stanley Cup playoffs.

"It was intentional, no question about it," Lemieux, the Pittsburgh center, said Saturday. "Twe never been hit that hard in my life." Lemieux's left hand was broken when Graves slashed him early in the second game of the Patrick Division finals. Graves, who was assessed a minor penalty, played the third game, then was suspended for the rest of

Lemieux had been expected to be out for a month, but came back to play in Game 2 of the Wales Conference finals against Boston in what seemed like a miraculous recovery to some.

the series while Lemieux sat on the sidelines with the injury.

But two Chicago shnts hit the post in the first period, helping Barrasso record his second career playoff shutout. His first came against the Minnesota North Stars in last year's 8-0 cup-clinching

With their 10th straight victory, the Penguins became only the third team in NHL history to win 10 in a

row in the playoffs. The others who did it are the 1970 Boston Bruins and this year's Blackhawk team, which wnn a record 11 straight before losing three

in a row to Pittsburgh.
It was the first 1-0 game in a Stanley Cup final in six years. Montreal's Patrick Roy shut out Calgary, 1-0, in Game 6 of the 1986 finals. Barrasso has not allowed a goal in the last 89:36 and has surrendered only one in the last seven

Lemieux, the playoffs' leading scorer, didn't get a point this time.

### Bulls and Blazers Rise to Top

### But for Both Finalists, Getting There Is Not Enough

By Clifton Brown New York Times Service NEW YORK - It is the

championship showdown that many people expected. The Chicago Bulls and the Portland Trail Blazers were the top teams in their conferences during the National Basketball

Association regular season. Now they will meet in the NBA finals, a four-of-seven-game showcase that should be exciting and in-Think of the matchups: Michael Jordan vs. Clyde Drexler, Scottie Pippen vs. Jerome Ker-

sey, Horace Grant vs. Buck Wilhams. Think of the contrast in styles: Portland's fastbreaking up-tempo offense against Chicago's switching trapping suffocating defense. And because the finals don't begin until Wednesday in Chica-

go, both teams will be well rested and prepared. The potential is there for a

classic series.

"I'm pretty sure the hype is going to begin between Clyde and myself," said Jordan, after the Bulls won their seennd straight Eastern Conference championship by beating Cleve-land, 99-94, on Friday.

"My approach is not me-against-Clyde. It's my team against his team. I'm going to do whatever I can to lead my team past his, as much be's going to try to do the same. I'm not going to go into the finals looking at it as a one-on-one confrontation between Clyde Drexler and myself, even though we're going to be guarding each other quite a bit. But yes, it's a challenge."

Bulls are trying to become the fifth franchise in league history to win back-to-back titles, joining the Minneapolis Lakers, the Boston Celtics, the Los Angeles Lak-

ers and the Detroit Pistons. The Trail Blazers have averaged 59 victories during the last

### NBA PLAYOFFS

three regular seasons, but they have not won an NBA title since 1977. Portland lost, four games to one, to Detroit in the 1990

And last season, it suffered a bitter six-game defeat to the Lak-

### The potential is there for a classic

ers in the Western Conference

championship series.

Both the Bulls and the Trail Blazers were on season-long missions to reach the finals. Now that they have arrived, they are mtent on winning.

"It's an opportunity that we've all been waiting for, to get back to the finals, Jordan said. We're back again. Now let's win

After Portland won the Westem Conference by beating Utah, 105-97, Thursday, Drexler said: 'We've been here before. Now we want in win it. That's the ultimate

thrill. Nothing else will do." Chicago, thought by some to be an overwhelming favorite to

(161.298 miles) with driver, country, cpr, like and leader's speed: 1, Ayrton Senna, Brozil,

McLoren-Hondo, 1 hour, 50 minutes, 59,372 se

onds. 148.29 Iosh (87.1% meb); 2. Filaci Manneti, Britain. Williams-Remouth, 8.212 seconds be-hind; 3. Riccords Patress, Itohy, Williams-Re-nauti, 21.843 seconds; 4. Michael Schumocher, Germany, Benetion-Ford, 9.294; 5. Mortha Brundta, Britain, Benetion-Ford, 1.221,347, Overell Stuatings (after six roces); 1. Mon-sell, 56 polids; 2. Patrese, 26; 2. Schumocher, 20; 4. Sentra, 15; 5. Gerhard Berger, Austria, 8.

Results Solverbay in the seventh stone, 292 (Sloweters (193,8 milles), frien Recontese to Mailt: 1. Goldo Solvennet Hoky, Carter's Josep-Totland; 2. Glusepee Petito, Italy, Mercatone Uno-Zucchini, 2 seconds behind; 3. Germano

lint Haly, GB-MG Ma

ands, 140,229 losh (47,1% moh); 2, Hilpet M

CYCLING

Giro d'Italia

Both teams are motivated. The win the title when the playoffs began, has looked vulnerable in the postseason.

New York took the Bulls to seven games before losing, while Cleveland was even with Chicago, 2-2, before dropping the final two games of that series. The Bulls, who lost only two playoff games last season, think they will be more relaxed now that they have reached the finals.

The Blazers, who eliminated the Lakers, the Phoenix Suns and the Jazz tn reach the final2, are playing as we'll as they have played all season.

Chicago won both regular-season games against Portland, and the Bulls have the home-court advantage. But the Trail Blazers, because of their depth and strong play of late, may be peaking at the perfect time.

### ■ Jordan Turns It On Jordan was merely human

through the first three quarters Friday, scoring 13 points on 5-for-20 shooting as Cleveland double-teamed him and cut nff. his approaches to the basket. The Associated Press reported from Richfield, Ohio.

But Jordan exploded for 16 fourth-quarter points, and Pip-pen and Grant had kept the Buils close until then. The game was tied at 72 entering the final peri-

The Cavaliers started the fourth quarter with a 7-0 run and seemed ready to put the game, away until Jordan stalled themby sinking a 15-footer. Neither team led by more than five after.

### SCOREBOARD

### BASEBALL Major League Standings

(Through Saturday's games)
AMERICAN LEAGUE Pct, 594 553 573 478 438 367

NATIONAL LEAGUE

New York Philodelphia

Friday's Line Scores

case 608 608—8 4 1 varie 609 608—8 4 1 libbard. Leach (S), Radinsky (S) and Karifasi Guzmari D.Ward (8), Henke (9) and ders. W—D.Ward, 2-2. L—Hibbard, 5-3.

Ritz, Doherty (3), Lancaster (4), M.Munia (5), Knudsen (6) and Tettleton, Kreuter (5); Tapani, Willis (7) and Harper, Webster (7). W-7gpani, 5-4, L-Ritz, 0-1, Sv-Willia (1). Minnesota, Puckett (8), C.Davis (2), HRS-Minnesond, Puckerr (e), C.Davis (2), Hew York, 646 412 669-2 16 9 Milwoukes 290 325 16x-2 12 1 Cadaret, Hillegas (d), Guelterman (d) and Nokes; Wegman, Henry (9) and Sarthoft W-Wegman, 5-4. L.—Cadaret, 3-4. HRs.—Hew York,

Macfariane, W.—K.Brown, S.J. L.—Montgamery, D.4. HR—Texas. Pointer (8), Cleveland 162 169 266—14 16 1 Collibratio 606 260 666—2 6 2 Boucher, Coak (8), Litilautet (9) and S.Aiomar, Oritz (6); Finley, Crim (5), Balles (7), Froy (8) and Fitzgerald, W.—Boucher, J.4. L.—Fishey, 1-4. HRs—Cleveland, Saersa (4), Belle 2 (11), Bosten 916 209—3 9 9 Sentite 602 612 622—7 16 6 Dorson, M.Yound (6), Darvin (7), Fassos (3) and Pena; Parker, Powell (5), Swan (8), Schaoler (9) and Valle, W.—Powell, 2-1, L.—Dosson, 1-2. HR.—Soutite, Valle (2), Buitmore 666 606 625—3 16 6

NATIONAL LEAGUE

W—Palocios.3-0. L—T.Wilson, 4-4. Sv—B.Pal-ferson (1).

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New Yerk 366 660 661—1 7 1

Smottz, Wohlers (7) Burks (9) and Hundley,
Sasser (4), W—Smottz, 5-4, L—Goaden, 4-5.

HR3—Pantileton (8). Bream (3).

Philodebala 660 676 666 psi—2 8 1

(12 leakings)
Schilding, MLWilliams (9), 8.Janes (11) and
Daultion; Harnisch, Boever (8), Meditacot (9),
D.Jones (10), Cauro (11) and Taubensee, W—
8.Janes, 2-2, L—Osuma, 3-3.

Saturday's Line Scores

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erstey (9) and Steinback, W.-Moore, 6-3, L.-Milacki, 4-3, Sv.-Eckerstey (18), I Rs.-Batti-more, Anderson (7), Chatertinez (2), Qak-land, Cansoco (10), McGwire (15),

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K.Hill, Fassare (7). Robes (10), Sampen (11) and Carber; Swindell, Bibble (1), Bankheod (11) and Oliver, W.—Bankheod, 5-1, I.—Sampen, 9-2, Hiss.—Marshwal, Wallach (3), Cincinnati, Larkin (2).

AMERICAN LEAGUE 184 908 808 85—) 4 8 e84 908 918 91—2 8 9 (1) Instags) Indiresky (8), Leoch (9), Pull (11) and Korkovice; Key, Word (9), Weld (7) and Borders, W.-Wells, 2-2, L.-Poß, 2-2, Boffmore 200 074 049-7 12 1 Oxidand 221 401 223-4 9 2 Mesa, Frohwirth (7), Flanagon (8), Right (9) and Holles; Skatarski, Horsman (8), Reference on (A), Generate (9) and Shrinbach, W. Mest.

Palocios.3-0, L--T, Witson, 4-4, Sv.—B, Pation (1).

aute 182 108 606—6 16 6 Detroit 186—6 16 2
w York 366 600 801—1 7 1 Minnesots 186 601 62x—7 15 6

Tonana, Hameman (a), M.N.Unez (a), Ter-rell (5) and Kreuter; Krusepr. Edens (7), Aguilera (9) and Harper, Webster (9), W— Edens, J-A. L.—Hemmeman, 8-2. 5w—Aguilera (141, HRs.—Detroll, Fryman (8), Deer (15), Clark (11; Minnesota, Puckett (9). 000 000 010--- 0 0 002 000 10x--- 7 1

Armstrong, Wickander (7) and Alomar; Blyleven, Horvey (8) and Tinstey, W—Blyleven, 1-0, L—Armstrong, 1-6, Sv—Harvey (13), NATIONAL LEAGUE

NATIONAL LEAGUE
Attends 001 300 201—6 14 2
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Avery, Wohlers (9) and Berrythit; Cons.
Gibson (5). Whiteleast (8). Burks (9) and
Hundley, O'Brien (5). W—Avery, 3-5. L—Cons.
5-3. HR—Afforts, Paralleton (9).
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Hershiser, Wilson (6). Golf (7), McDovell (9).
ord Schools: Reside, Potherwan (5). Rebieven Hiershiser, Wilson (6), Gott (7), McDowell (9)
ond Schools; Bookle, Potterson (3), Robinson
(3), Smith (7), McElroy (9) and Girandi, W—
Hillipon Hom

ott 22 000-4 9 1 338 128 128-9 13 0 Cardner, Service (2), Haney (4), Wetheland (8) and Carter, Cervice (1): Browning, Henry Meseu, Ch. Charling (9) and Elbrew W-Browning, 4-1.

L—Gardner, 3-4. HRs-Montreal, Reed (1), Clentrocce (5), Owen (5); Cinclenali, Doran (5), Discourse (6) 80 818-1 4 2 8 8 8 8 8 9 80 818-1 4 2 8 1.

Letteris, Ge.Hauris (7), Scoti (6), Clements (7), God (10), Clements (10), Glaments (11), Glaments (12), Ge. Charlingo, Bilardello (4); Tewksbury and Pasnozzi, W-Tewksbury, 6-1. L—Lefters, S.J. HR-St, Louis, Pena (11), Philadelphia 30 818 806-4 6 0 100-5 11 0 10 Gardner, Service (2), Haney (4), Wettek

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Pittsburgh 808 801 102 1-3 9 6
(19 Inelegs)
Heredia, Hickerson (61, Jackson (8), Brant-lay (10) and McNamaru; Orobek, Neosie (10) and Lavolillere, Skauelti (7), W-Noosie, 2-2, L-Brantley, 2-2.

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Selbu 4 Kintetsu 3 Nippon Hom & Lette 2 Doiel 4 Orlx 2 SOCCER

U.S. CUP 72 United States 1, (reland 1 INTERNATIONAL PRIENDLIES Halland 4 Woles 0
Germany 1, Turkey 9
2PANISH F(RST DIVISION
Red Madrid 2 Valencia 1
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### BASKETBALL

**NBA Playoffs** 

**FASTERN CONFERENCE FINALS** 

CRICAGO: Grant 7-11 6-620, Pippen 11-027-829.
Cartier lath 5-11 8-0 19. Jondon 10-27-9-29, Proscartier lath 5-11 8-0 19. Jondon 10-27-9-29, Proscartier lath 5-11 8-0 19. Jondon 10-27-9-29, Proscartier lath 5-11 8-0 19. Tetols 28-9-27-25-99.
CLEVELANTI: Nance 11-20-3-25. Sanders 3-66-6-4. Dougherty 6-13-6-7-18. Entel 3-18-3-4-11.
Price 5-10-3-14. J.Williams 6-11-6-14. Brandon 9-2-0-0. Bottle-2-2-0-4. Tetols 5-6-219-25-24.
3-Polari goals—Chicago 9-2 (Pippen 9-1, Poxson-9-1), Cleveland 3-9 (Ehlo-3-, Price 1-3-Monos
6-11, Founde dest—Monas-Residentes—Chicago 47
(Pippen 12), Cleveland 53 (Nonce 14), Assista—
Chicago 17 (Jandon 11, Cleveland 31 (Price 9).
Totol 9019—Chicago 24. Cleveland 31 CRICAGO: Grant 7-11 6-629, Pippen 11-237-829

HOCKEY

Stanley Cup Finals

(Best-of-7; Pfristyaryte Josefs series 3-8) Chicago
Chicago
Fhist Period—1, Phisburgh, Stevens 12
(Poek, McEochern), 12:26.
Second Period—Norm

### **AUTO RACING**

Third Period—Hone.
Shots on pool—Pittsburgh (an Bellour) 6-8-

Monaco Grand Prix

Final resetts Sunday of the Atenaco Grand Prix 78 laps of the 2,238-kilometer (2,068-mile) Circuit, u distance of 237,564 idlometers

### hours, 11 minotes; 2. Endria Leoni, (toly, John Combonitali-Cub B3, some filme; 3. Olamofidine Aboulovoreb, Uzbekiste. Carrera Jeans-Tessoni, s.t; 4. Adriano Bolfi, Italy, Cerumiche Ariostea, (toly, s.t; 5. Glavanni Fridanza, 14th, Gafronde-Chaleau If As, s.t., Overali standinas; 1. Miguel Indurala, Spain, Baneste, 33 hours, 34 minutes; 9 seconds; 2. Glorgia Furtan, Italy, Cerumiche Ariostea, 39 seconds behind; 3. Roberto Confi, Italy, Cerumiche Ariostea, 57; 4. Armand De Las Cuevas, France, Boneste, 1:26 minutes behind; 5. Cloudie Chiloppucal, Italy, Carrera sehind: 5. Cloudle Chieppucal, Hely, Carrer

JENY, OTHER

IT FOR HIS

STORY WALLE

RUGBY UNION TEST In Dunedin, New Zealand New Zealand 24, Ireland 21

TIL WRITE IT

CAN HULUSTRATE

HANT SHOULD

OUR STORY BE ABOUT?

RUGBY

### TENNIS

French Open

SATURDAY'S RESULTS
Mea's shopes, third round
Petr Korda (7), Caechoslovakia, tief, Michief Schopers, Netherlands, 64, 6-2, 3-4, 6-1,
Jaime Oncins, Brazti, Jef, Dovid Prinosil, Germany, 6-1, 6-2, 6-2; Diego Perez, Uruguan Germany, 6-3, 6-2, 6-2; Dieso Perez, Urusuov, del, Richard Krnilicek (12), Nefferiodas, 6-4, 6-1, 6-1; Morcein Filiopini, Urusuuy, del, Adr-an Krickstein (13), U.S., 6-2, 1-6, db.; Andrei Cherkcavov, Russka, del, Siefun Edberg (2), Sweden, 6-4, 6-3, 7-4 (7-4); Nicklas Kuiti, Swe-den, del, Michael Chang (3), U.S., 7-4 (7-5), 2-4, 6-3, 3-4, 8-4, Wennen's steutes, Mird round

Monica Sales (1), Yasalavia, Odf, Lori McMell, U.S., 64, 6-11 Akika Klijinuta, Jadan, del. Ja Dunie, Britain, 6-7 15-73, 6-4, 6-4, Mary Pierce (13), France, del, Andrea Strindova, Pierce (13), France, def. Andréa Strindova, Cachoslovakia, 7-6 (7-1), 6-4; Cebriela Sabotini (3), Arsentino, def. Julie Haland, France, 6-1, 6-3; Jenniler Capriori (5), U.S., def. Kontina Habsudova, Czechaslovakia, 4-6-4-6-3; Potrick Hy, Canada, def. Elesa Brioddayota, Ularaine, 6-8, Y-5; Leiles Pieskii (15), Russia, def. Linda Ferropala, (10), 7-6-7-6 (10-8), 5-4 (10-8), 1-4 Previousentica, Hoty, Mercolone Une-Zucchi-ni, 56 seconds benind; 4, Frunco Chlocciot, GB-MG Mayiffeto, some time: 5, Poolo Be-trardifi, Holly, Johy Consponibili-Clob M. st., Results Souday in the alpith stope, 194 pile-meters. (TH4 salles) from Mail to Average; 1, Morto English Italy. CR. MC. Mortificial.

Men's singles, fourth round Garon Ivanisevic (8), Creatic, def. Carica Casta (7), Spoks, 6-3, 4-6, 6-1, 4-1, 1/m Courter (1),

U.S. dof. Andrei Medveder, Russia, 5-1, 5-4, 5-2.
Women's stagles, fourth round Sabolini (3), del. Hy, 6-3, 6-1; Natalia Be-lorus, Russk, del. Sobine Hack, Germany, 6-3, 6-3; Natalia Zvereva, Belarus, del. Sobine Hack, Germany, 6-3, 6-2; Steffi Graf (2), Ger-Hock, Germany, 6-3, 6-3; sternt orar (2), ser-many, def. Jana Nevotras (18), Caschoslova-lda, 6-1, 6-4; Aroniva Sanchez-Vicaria (4), Spoin, def. Kimika Date (14), Japan, 6-1, 6-2; Seles (1), def. Kilimura, 6-1, 3-4, 6-4.

### TRANSACTIONS:

FOOTBALL MINNESOTA—Released Herschel Walker,

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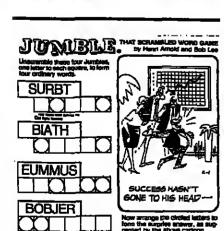
HNR!

### **DENNIS THE MENACE**



95 272 2

SO, YOU HOLD MOMMY'S HAND "COURSE I TOO! TRAFFIC.



Answer here: TO His TO Jumples GOING PROBE APPAUL BALSAM Anguage: What the world FRAGILET means to those movers—"SLAM-BANG

To Our Readers

The cartoonist Garry Trudeau is on vacation through Sept. 5. Starting today, the "Doonesbury" comic strip will consist of reruns provided by the syndicate that distributes it.

### **PEANUTS**

BLONDIE

LOOK AT ALL THOSE LOAFERS

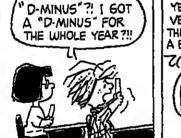
BEETLE BAILEY

OH, WAS THAT

YOURS? I ATE IT

WHERE'S

MY CANDY BAR?



YES MA'AM, I'M VERY HURT ... I THINK I DESERVED A BETTER GRADE ..



MY CANDY ANY GOOD TO YELL BAR !! IT'S TOO LATE

IT'S TOO LATE

WAY ... WHILE WE'RE

TALKING ...



HERE'S THE BOOK

LAST CHRISTMAS..

REPORT THAT WAS DUE



DOONESBURY









### **CALVIN AND HOBBES** TOU ISHOW, HORRES, IF THE 7:30 CALY'IN IS AT ALL LIKE THOSE YES

THE 6.30 AND 8.30 CALVINS.

I'LL BET HE FENT GOING TO



TO GET A ROUND

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ARTHUR-





HERE. LET'S WRITE ABOUT

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HEE HEE!

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### GARFIELD



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# SPORTS FRE

### **10C Ponders Move** As Other Groups Ban Yugoslavia

Tugosiavia was barred from in-smattonal soccer and tennis com-Sweden.

Denmark at the European champi-ouships, which begin June 10 in ternational soccer and tennis comperition Sunday, a day after the United Nations passed sanctions against the war-torn country. However, participation in the Barcelona Olympics remained a question

International Olympic Committee officials will meet this week to

Josep Miguel Abad, the No. 2 man on the Barcelona Olympic Organizing Committee, suggested that Yugoslav athletes might be able to participate in the Games under the Olympic flag instead of

their national flag.

The athletes aren't to blame for anything that's happening in Yugo-slavia, so they should be able to participate," Mr. Abad told the in-dependent Spanish news agency Europa Press

In Paris, the International Tennis Federation said Yugoslavia would be barred from the Davis Cup, Pederation Cup and other team competitions in accordance with the UN sanctions.

The decision was made during the French Open, where tourna-ment organizers said Yngoslavborn Monica Seles, the two-time defending champion, can continue to compete because the ban does not apply to individual players in

regular tour events.
In Zurich, soccer's international (FIFA) and European (UEFA) governing bodies confirmed that Yugoslavia had been banned from the European championships and

These are the worst sanctions in

The state of the s

the history of international compe-titions," said Miljan Miljanic, di-rector of Yugoslavia's national soc-

Olympic Committee to respect mpic principles and not to mix politics with sports," said Aleksandar Bakocevic, head of the Yugo-slav Olympic Committee, who also is speaker of the Serbian parliament. "Nobody has the right to deprive athletes from participating in competitions."

Yugoslavia excels in a number of sports, including basketball, water polo and handball. The men's bas-ketball team, which features Los Angeles Lakers center Vlade Divac, is the reigning world champion and won an Olympic silver medal

In Madrid, Mr. Abad said he was hopeful Yugoslav athletes would be able to compete in the Olympics without violating the spirit of the

"With a little imagination, on should be able to complete the UN mandate, which is to say that Yu-goslavia wouldn't be represented as such, but the athletes would still participate under the Olympic flag, which is the formula used by other delegations," he said.

"The UN decision is not good news for the Olympic movement, he said. The Barcelona dream of having the whole world represented World Cup qualifying at the games won't be re-Yugoslavia will be replaced by less we use imagination." at the games won't be realized un-

### The Upsetting of the Year's Great Upset

Unheralded Kijimuta, No. 150, Nearly Topples Seles, No. 1 in the World

By Ian Thomsen

PARIS — Leading 4-1 in the final set, up two breaks against the No. 1 player in the world, Akiko Kijimuta held a cup of water to her mouth but did not drink. She had been hypnotized for three hours, it seemed, and was just now snapping out of it. The scoreboard said she was two games away from the year's greatest upset. Water at her lips and she could not drink.

Monica Seles was seated to her left, glaring sideways at her racket as if it were a dog that wasn't house-broken - ahle to win just five points in her last three service games - and the rain began to fall harder upon Akiko Kijimuta, water drenching all that surrounded her, and she was sitting flat against the back of her chair unquenched.

"I am getting nervous," she would say later, recalling the third set, in which she failed to win another game while losing to Seles, 6-1, 3-6, 6-4, in the third round of the French Open.

"I think, maybe I can't beat her."

She had lost 12 of 14 matches this year before this tournament, among them an opening-round loss to Seles at the Australian Open, in which Kijimuta won two games. Kijimuta is ranked No. 150 in the world, and she played that part throughout the first set. But she plays two-handed on both sides of

the ball, with every kind of spin. She began to hit backspin and top spin and forehands and backhands that dropped a meter in front of the baseline. She adjusted the match to suit her own quirky rhythms, extending rallies until she left comfortable trying to smoke a forehand down the alleys. Suddenly she was the pitcher who somehow converts the 82mile-per-hour (132 kilometers) fastball into a 21-8 record. They broke each other midway into the second set, and now the crowd at Court No. 1 was clapping for her at all the

Still, no one could think reasonably that Kijimuta could win ... but then Seles was stomping off the court, her drop shot having drifted just wide, her serve having betrayed her in a double-fault on the point before, and

win the set, and the crowd was just beginning to cheer when the fat first drops of min fell.

They didn't play again for 2 hours 51 minutes, and one ligured Kijimnta to wilt during the rain delay. Just the opposite—she listened to Japanese music in the locker-room, she said, and when she returned to the court after 6 P.M., she broke Seles twice to go up 3-0. Trailing 30-40 in the first game, Seles smashed twice from the oet but her challenger fetched them both, knocking Seles back to the baseline and then finishing her off. "After the first set, she was really trying to hit some of those forehands inside-out." Seles

Kijimuta held to win the set, and the crowd was just beginning to cheer when the fat first drops of rain fell.

said. "It was pretty wild. She was hitting the lines or very close to them. I just could not find the type of game I wanted to play against her and not let her hit those forehands." It was 4-1 when Kijimuta stood up from her chair and walked out into the rising storm. Seles earned two break points but Kijimuta was rescued by her forehand. She thwarted another break with a forehand to the corner. Finally Kijimuta flubbed a backhand drop shot, and Seles had her first of three consecutive breaks.

Kijimuta could see her future shrinking. She netted a backhand and kicked the clay in anger, and then Seles aced her down the middle to draw within a game. Fortunately for Kijimuta, the rain was falling harder. Up 4-3, she asked the umpire to suspend the match. "I asked twice, but he say no," Kijimuta said. "We have to keep playing."

Had she known that play was being sus-pended on the other courts, she might have argued more loudly. She also admitted to not

Kijimuta was oow up a hreak, 5-3. She held to understanding that she could have asked for a suspension from the tournament referee, Then again, she did not seem the type to thrust her opinions upon others. During her post-match interview. Kijimuta, 24, could not recall the most important match in her career

Finally, a journalist asked whether she recalled having won a set from Martina Navra-tilova in the 1988 Australian Open.

"Oh, yes." Kijimuta said. "Thank you very

Later, she was asked how it was that she had learned to play two-handed. She said she had begun when she was 6 years old.

"Do you remember in 1988," the journalist asked, nodding helpfully, "I think you'd told me your father was the one who taught you bow to play, is that right, with two hands?"
"Yes," Kijimuta said, oodding hack.

Playing at a frantic pace, clearly wanting to finish while she could, Seles held to go up 5-4. Once more Kujumuta asked for a rain delay "I really wanted to continue, win or lose,

because they usually never cancel the matches until 9:30," Seles said. "You just sit in there and wait. When it was set-all, I said I want to finish it one way or the other."

Kijimuta finished it for her, double-faulting twice in the final game.

"She choked. I think the 30-aii at 5-5 when she served the double-fault." Seles said. "I said, if I keep going on like this I am out of here. It was like: 'She has nothing to lose, but you don't have anything to lose either.' And I ss I kind of changed the momentum a little hit. Each shot that I won, I got more and more confidence and just went for more shots like 1 did before,"

Despite forsaking an upset that was all hut hers. Kijimuta did not appear disappointed. "I am happy, even if I lost," Krjimuta said.

"I could play very well, so I am happy." Did she learn anything from the match? "When the raining start," she said, "I have to go to referee."



An anguished Monica Seles on Sunday after she dropped a set to Akiko Kijimuta of Japan. But Seles, the tournament's defending champion and top seed, prevailed after a rain delay, 6-1, 3-6, 6-4.

### **Pirate Errors Help the Giants** Come Back for a 5-3 Triumph

The Associated Press Willie McGee had three hits and

the San Francisco Giants overcame a three-run deficit and two Pittsburgh homers with the help of two entors and a variety of infield hits to beat the Pirates, 5-3, on Sunday

month without being first in the National League East.

The Giants tied the score on third baseman Steve Bucchele's throwing error in the sixth, then went ahead in a two-run seventh after first baseman Orlando Mercod booted a ground ball.

Bud Black withstood Bucchele's two run homer and Jeff King's solo shot for the victory, allowing seven hits in seven-plus innings — four in the first two innings. Jeff Brantley pitched two innings for his sixth

The Giants averted a three-game weekend sweep and dealt the Pirates their 12th loss in 15 games. The Pirates had lost 11 of 12 before beating the Giants on Friday and

Expos 6, Reds 2: In Cincinnati, Gary Carter homered in his 2,000th Tame as a catcher and Matt Stairs drove in two runs with his first major-league hit as Montreal end-

Carter's homer off Jose Rijo inched a four-run second inning. Stairs, called up last week from Triple-A Indianapolis, singled home the final two runs .

Dodgers 6, Cubs 2: In Chicago, Kevin Gross broke a personal sevcu-game losing streak against the Los Angeles completed a three-In games played Saturday:

Braves 6, Mets 1: Steve Avery gate up six hits in eight-plus ings in New York as Atlanta won its third straight and extended the Micis losing streak to four games. Deion Sanders singled four times, stole three bases and scored three runs and Terry Pendleton bit 2 three-run home run for the ENGVES.

Sanders capped the romp by shing home from second base on Ren Gant's infield hit in the eighth. Mark Lemke had four of Atlanta's

King opened the inning with an infield single off Jeff Brantley. After a sacrifice and a balk, Slaught popped to right field near the bull-pen fence. Willie McGee caught the ball and made a strong throw to the 11 was the first time since April plate, but King scored, tumbling

NATIONAL LEAGUE

over the leg of catcher Jim McNa-

singled home the go-ahead run in the sixth to rally the Astros past visiting Philadelphia, stopping Terry Mulholland's five-game winning

his starts in May and had pitched into the ninth inning in each game. He allowed 10 hits and struck out five before Mike Hartley relieved to start the seventh.

Reds 9, Expos 4: Bill Doran's bases-loaded single capped a threerun first and led to a bench-clearing

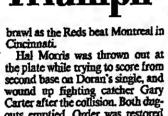
outs emptied. Order was restored within minutes, and both players were ejected.

The Reds continued their longest winning streak in two years by scoring five runs in 1% innings off Mark Gardner, who has lost his last three starts.

Astros 5, Phillies 4: Craig Biggio game losing streak.

Mulholland had won all five of Tewksbury walked none and struck he has walked only six.

ing a home run and a run-scoring double, to help Los Angeles edge



Cardinals 5, Padres 1: Bob

Tewksbury pitched a four-hitter and lowered his league-leading carned-run average to 1.78 as St. Louis ended a season-high three-Against visiting San Diego,

out two. In 76 innings this season, Dodgers 3, Cabs 2: Dave Hansen had a career-high three hits, includ-



Baltimore's Bill Ripken went over Oakland's Dann Howitt for a double play in the Orioles' victory.

### Blue Jays Rally in Ninth to Extend White Sox Skid

Held to two hits through eight innings by Charlie Hough, the Toronto Blue Jays railied in the last of the ninth against Bobby Thigpen on Dave Winfield's home run and Greg Myers's run-scoring single Sunday to beat Chicago, 3-2, and send the White Sox to their sixth straight loss.

Jack Morris won with a three-hitter as Toronto completed a three-game sweep. Hough allowed only one unearned run and left with a 2-1 lead. Thigpen began the ninth by striking out Joe Carter before run-ning into trouble.

Winfield followed with his ninth home run of the season and No. 415 lifetime, moving him past Darrell Evans into 21st place on the carear list. Kelly Gruber then doubled and John Olerud was intentionally walked.

Pat Borders struck out, but Myers singled to left field, and Gruber beat Tim Raines's throw on a twisting, head-first slide that got him past catcher Ron Karkovice.

Thigpen, who had not allowed a home run in 20% innings this season, blew his third save chance in 15 opportunities.

Twins 4, Tigers 1: In Minneapolis, Scott Erickson pitched his best game of the season after a 10-day benching and Kirby Puckett Amight's foul sacrifice fly scored doubled to break a sixth-inning tie as Minnesota King in the 10th to lift Pitts-

since the end of the 1987 regular season. Erickson, who won 20 games last year, entered the game with a 5.37 earned-run average. He had been hanished to the bullpen after gaving up six runs May 20 at

On Sunday he gave up five hits, two walks and a season-low one run in six innings.

AMERICAN LEAGUE

Mark Guthrie struck out five in three perfect

innings of relief.

In games played Saturday:
Orioles 7, Athletics 6: Cal Ripken began his second decade of playing consecutive games by singling and scoring in the first itming as Baltimore won on the road.

Ripken started his streak on May 30, 1982. He has appeared in 1,620 straight games and, if he continues to play daily, would break Lou Gehrig's record of 2,130 in June 1995. Twins 7, Tigers 5: In Minneapolis, shortstop Travis Fryman couldn't handle pinch-

er - Detroit's third eighth-inning miscue -

The Twins are 41-18 against the Tigers Kansas City past visiting Texas and snapped the end of the 1987 regular season. Kansas City past visiting Texas and snapped the Rangers' seven-game winning streak. Kevin Appier pitched seven innings in first major league shutout, handing the Rangers just their second loss in Yankees 8, Brewers 1: a 13-game surge that saw them take over first place in the Western Division.

> Blue Jays 2, White Sox 1: Reserve infielder Jeff Kent doubled home the winning run with two outs in the 11th in Toronto. Kelly Gruber got an infield hit with two outs in the 11th against Donn Pall and stole second. Kent then lined a 2-2 pitch into the left-field

Kent had batted only 28 times this season, gesting seven hits. Gruber, not known for his Projection Virus at Bat speed, set up the run by diving headlong into first base to beat out his hit, then stealing

Angels 3, Indians 1: In Anaheim, California, Bert Blyleven pitched three-hit ball over seven innings for his 280th career victory, and his first since July 1990.

Blyleven retired 15 of the last 17 batters he faced to help snap the Angels' five-game projected total had plummeted to 59. losing streak and end an Indians' winning hitter Lenny Webster's bases-loaded ground- streak at four. Blyleven, climaxing a long road back from

Mariners 3, Red Sox 0: In Seattle, rookie Dave Fleming pitched a five-hitter for his

Yankees 8, Brewers 1: Scott Sanderson became the ninth pitcher to beat all 26 major league teams as New York triumphed in Milwaukee.

Sanderson joined Nolan Ryan, Tommy John, Don Sulton, Mike Torrez, Rick Wise, Gaylord Perry, Doyle Alexander and Rich Gossage as those who have defeated every club. Sanderson had lost his only previous decision against the Brewers, and had a nodecision against them in May.

The projection virus has struck again, as it usually does around this time of year. The

New York Times reported. Not long ago, the projectionists calculated that based on his 17 home runs in 38 games, Mark McGwire of the Oakland Athletics would hit 72 homers this season. Eight games later, McGwire still had 17, and suddenly his

In another instance of how foolish projections can be, Glenn Davis entered a game last week with one home run in 44 at-bats. capping a five-run rally.

Royals 8, Rangers 2: Mike Macfarlane, one day after snapping an 0-for-17 slump.

capping a five-run rally.

shoulder surgery in April 1991, walked two computing to a projected 11 home runs should he bat 500 times. In that game, one day after snapping an 0-for-17 slump. creased his career total to 3,640, tying Tom though, Davis homered twice in five at-bats, and his projected 1991 total sourced to 30.

### Costa Fizzles Out, Courier Cruises On By Nick Stout al Herald Tribune

PARIS - The clay-court saga of Carlos Costa fizzled out Sunday in a dull comedy of errors in which Goran Ivanisevic had the last laugh. Costs, the 24-year-old Catalan who had passed spectacularly from blossom to bloom on the European springtime circuit, wilted definitively in the shadow of his tall Cro-

atian adversary, 6-3, 4-6, 6-1, 6-1. The victory put Ivanisevic into quarterimals, where he will play Jim Courier, who advanced with a 6-1, 6-4, 6-2 triumph over Andrei Medvedev.

Meanwhile, the director of the French Open, Patrice Clerc, made it clear Sunday that the United Nations resolution mandating sanctions against Yugoslavia would not affect Monica Seles here.

Unlike Ivanisevic, an ardent Croatian nationalist, Seles is listed here as a Yugoslav and refuses to

answer political questions. "We must make the difference between national teams and individual players in a sport," Clerc said. "The French international championships are composed of individuals. They in no way represent

their country. The International Tennis Federation, however, issued a statement saying that Yugoslavia would be harred from all ITF team competitions, including the Davis Cup and

Federation Cup. For a while it seemed as though the Costa-Ivanisevic contest was a competition for lost opportunities. The main interest seemed to lie in accumulating the most unconverted break points. Costa claimed that dubious distinction, 13-8.

The unforced errors were many, and, fortunately for Ivanisevic, it was he who benefited from them more often than Costa.

Both players, unable to find the words to excuse their sloppy per-formance, hlamed their unfamiliarity with the spacious Center Court. "The court was pretty big for me," said Ivanisevic, who himself measures 6 feet 4 inches (1.93 me-

ters). "All through this tournament 1 played on small courts. Today it was so big, and I didn't know what to do. Costa, stunned, said: "The fact that we played on Center Court

made it impossible for me to know 6-1, 6-4. exactly where I was. I couldn't find my marks." Finding the marks was less of a challenge from Akiko Kijimuta of

problem for Ivanisevic, who made Japan.

up for mistakes by serving 10 aces and a multitude of service winners.

Like his compatriots Juan Aguilera in 1990 and Sergi Bruguera io 1991, Costa roared into Roland Garros Stadium with an aura of invincibility after a successful claycourt season.

The French Open made bonest men of Aguilera and Bruguera; they lost in the early rounds here and subsequently faded from the international limelight. To live up to his billing, Costa

who has been touted as the slickest Spaniard since Manuel Orantes, now faces a long uncertain season of hardcourts. "My game is based on my serve,

and I go to the net as soon as I can," Costa said the other day when he was asked about his style. I can play well in the United States on a fast surface, and I intend to prove it."

Medvedev had nothing to prove on Sunday. You feel like an idiot because

you can't find a bole," said the bewildered teenager from Kiev, explaining that playing against Courier was like playing against a wall. "He doesn't miss too much," Medvedev said. "He is so confi dent. He is so quiet, and he is just a great fighter."

The way this tournament is shaping up, the great fights are going to come earlier rather than later. The elimination of Stefan Edberg, Michael Stich and Michael Chang on Saturday left Petr Korda of Czechoslovakia as the only seeded player in the draw's bottom half. It's anybody's guess who might emerge from this unfamiliar group of eigh to contest the final on June 7. Most observers here have their

eyes on Henri Leconte, the Frenchman who beat Stich.

But the final will probably be dwarfed by the more imme duels that loom in the top half of the draw: Perhaps Pete Sampras vs. Andre Agassi in the quarterfinals, and probably Courier against one of those two in the semis

Agassi was leading Emilio Sánchez on Sunday, two sets to love, Steffi Graf and Gabriela Sabati-

when the rain interfered. ni, meanwhile, won their way into the quarterfinals. Sabatini beat Patricia Hy, 6-3, 6-1, and Graf defeated the 10th-seeded Jana Novotna,

Arantxa Sánchez-Vicario also

won, and Seles survived a tough

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### In English Cooking, an Authentic Miracle Worker

ONDON - When Elizabeth David was made a Commander of the Order of the British Empire in 1986, the queen asked her, as is her custom, what

she did "Write cookbooks, Ma'am."

"Very useful," said the queen. Just how useful was made clear when Elizabeth David died at the age of 78 on May 22 and the obituaries were headlined, "A Pioneer in the Kitchen," "Keeper of the National Palate," "Writer Who Performed a Gastronomic Miracle Dies."

The miracle, like all miracles, is unmeasurable but at its simplest it consisted in transforming bland,

### MARY BLUME

watery, unsightly English cooking into food that is tasty, colorful and, in one of her favorite words, authentic. The index for her last book, a collection of newspaper and magazine pieces called "An Omelette and a Glass of Wine" (1984), even has an entry for Authenticity, with four listings under "English disregard for" and one for the same failing in France.

"She single-handedly transformed English cooking," the novelist Sybille Bedford says, "She started it all. What she started others finished badly." Timing is always essential and her first book, "A Book of Mediterranean Food," came out in Britain in 1950, after rationing had been more severe. Many people had never seen a zucchini or a garlic clove or even remembered the pleasures of olive oil and fresh lemon when John Lehmann published this unlikely and celebratory book with joyous drawings by John Minton. Still an enriching and vivifying work, it is hard to imagine today the effect references to "oil, saffron, the pungent local wines, the aromatic perfume of rosemary, wild marjoram and basil" must

have had on gray austerity Britain.

Born into a rather grand family, Elizabeth David first tasted French cooking as a student in Paris and escaped home by becoming an actress, a choice probably dictated by her spectacular good looks but doomed hy her equally spectacular lack of talent. Late in life she denied to a friend, Patrick Woodcock. that she had ever been beautiful. "I was a pretty girl," she told him. "She was extremely accurate about everything," Woodcock said.

During World War II she lived in Alexandria.

where she became a friend of Lawrence Durrell, and in Cairo, where she worked for the British Ministry of Information and had a cook named Suleiman, whose qualities included a sweet nature, devotion to his cooking pots and total ignorance of good, clean English schoolroom food.

In 1944 she married an English officer and went with him to India. Two years later, she returned, alone, to England to face the damp cold and the frustrations of rationing which, she wrote, were mitigated by such surprises as one of her sisters turning up from Vienna with a hare that she claimed had been

caught by hand outside the State Opera House. Helped by Saleiman's recipes she began to work out what she called her agonizing craving for the sun and her revolt against cheerless, heartless British food by writing down descriptions of Mediterranean and Middle Eastern cooking: "Even to write words



A drawing of Elizabeth David in her kitchen by John Ward.

like apricot, olives and butter, rice and lemons, oil and almonds, produced assuagement." Her first arti-cle, called "Rice Again," was commissioned by Anne Scott-James for Harper's Bazaar.

The cookery writer Claudia Roden, who was born m Egypt, remembers reading "A Book of Mediterraan Cooking" when she moved to London in 1952. We were quite entranced to find the recipes were actually the way we did them," she said.

As David herself said, she was only touching the tip of the iceberg in "Mediterranean Cooking." Roden thinks she was strongest on French provincial cooking and above all in the influence she had on both home and professional cooking in Britain.
"It wasn't just that she had the recipes but she

showed people what a good life meant in a simple way, how you could have pleasure from your life and

should. It was like a social revolution. "There's a whole new lot of young chefs in the

countryside who are self-taught from her books and in London cooks now cook a great deal more than the French and take a great deal more trouble to cook well. I think it was thanks to her that they first had an

inkling that it was possible and worth trying."

David was among the first to notice a pamphlet on Tunisian fish by an English diplomat named Alan Davidson and sent Davidson to her publisher, enabling him to become a noted cookery expert instead of an ambassador, and she found an American publisher for Roden's book. While she has had great influence on the new California cuisine, David's books were less successful in the United States than they should have been, perhaps because she was not in the Julia Child tradition of giving recipes so detailed

that one could build an airplane from them. "For instance, she never gave the size of a pan. It was always just take a frying pan and I know Americans object to that." Roden said.

She wrote beautifully, enjoyed such authentic English dishes as steak and kidney pudding, read - "She knew Shakespeare from A to Z," Patrick Woodcook says - and made the best mayonnaise. She was, friends say, extremely funny, loyal and unforgiving. "I remember one oyster lunch," Sybille Bedford says. "I was bidden at 12:30 and arrived at the same time as the oysters. She said to

bring the same oysters." Another time, when Bedford was preparing grouse and feeling unsure of herself, David stayed on the telephone with her throughout the whole process, talking her through it like a control tower guiding an aircraft. In restaurants she could be extremely rude and she knew that friends who were not professional cooks were unnerved when she came to dine.

the oysterman go away, come back at 1. And don't

"She was awfully funny about it," Woodcock says. "I said, Elizabeth, you realize when you enter the door the stove explodes in every house you go to and she said yes, I do, and it's presumably why I don't get asked out very often."

The writer Norman Douglas, whom she met when she was 24 and he was 73, wrote for her in a copy of one of his books, "Always do as you please, and send everyone to Hell, and take the consequences. Dammed good rule of life." She seems to have followed it, becoming more difficult with age, ill bealth, and too much wine. "She could be wonderful and she could be grouchy," Bedford said.

While she enjoyed stardom on her own terms, she

disliked being considered the den mother of today's foodies who, says Claudia Roden, she regarded with contempt. "I think it was because when she came along she was writing with huge passion and against the odds for a society that had no idea. Suddenly it went from that extreme to the other, where it was the fashion to be a food writer and know it all. I think she saw a lot of people who knew very bittle suddenly become pundits and she had very little time for that. Certainly she had very little time for fashion and snobbery and I think she was as irritated with that as she had been with the total ignorance and neglect."

In 1979, when he was starting his food magazine, "Petits Propos Culinaires," Alan Davidson remembers a less cranky Elizabeth David as "so alive and witty and disconcertingly alert, with a fantastic memory. One was always being caught out, misremember-ing something or misstating something because one couldn't keep pace with her mind. The fact that she was in some ways a difficult person didn't loom large then. The overwhelming impression was of someone who was extraordinarily alert and very gifted, someone one wanted to be with at every opportunity. That picture just gradually faded from the screen."

In part, the revolution she brought about would have happened anyway, Davidson says. "Had there been oo Elizabeth David, or had Anne Scott-James said we want you to write about travel, then something of the same sequence of events would have taken place, but more slowly and less decisively."

There were other authentic English cookbooks which David herself praised. But there was a difference. "If you subtract Elizabeth David from the scene and just have these other books, the landscape looks quite different," Davidson says. "You have just foothills, there is no mountain."

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### LANGUAGE .

# Facing Up to a Cliché

By William Safire

NEW YORK — Basketball, the game that brought the general language one-on-one, toss-up and full-court press, has done it again. In a single recent issue of The New Yorker, one film crinc described a movie as "the worst kind of in-yourface farce"; another hailed actor Al Pacino for his "persuasive portrait of a pesky, in your face romantic" in the movie Frankie and Johnny," and John Updike, in a review of two novels, praised the "slangy, in-your-face prose styles" in which the narrators — both white women in Africa — discussed their bowel movements "with a frankness new to romantic heroines."

"What does this expression mean?" asks Daniel M. Klein of Great Barrington, Massachusetts. Where have I been? And what are all these things doing m my face?" Intimidating you, that's what. Carl Ladensack of Lancaster, Pennsylvania, found the expression m "You'll Never Eat Lunch in This Town Again" by Julia Phillips: "You were ignored, but she managed to be in your face at the same time." He notes: "The context and tone suggest something like bold, arrogani, bothersome or auducious. . . . Is this a new vulgarism that will soon sweep across the media and like a nasty slap strike all of us in the face?"

It may sound like a cuphemism for a vulgarism, similar to stick it in your ear, but the suddenly popular compound adjective in your face has a nonvulgar derivation.

Richard A. Spears, a leading slanguist, suggests that "it sounds like the reverse of get out of my face, which tells somebody to move away." This locution, which seems to be formed on the analogy of ger off my back, soon replaced back off as the preferred slang in calling for physical or symbolic withdrawal. The first citation in the Dictionary of American Regional English is from 1931; "Git out o' my face, or I'll slap ye into the middle of oext week!" DARE reports that its use is especially frequent among black

speakers. The allusion is confrontational. Spears observes that "in your face would reverse out of my face, to mean getting in front of people to

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sense of "brazenness." In the 1851 "Polly Peablossom's Wedding," a collection of stories edited by Thomas A. Burke, a character asks, "How can you have the face to talk to me arter saying what you sed?" The defiant sense exists in the verb as well: face up to and face

The definition of in-your-face, the term now in vogue, was put forward in 1982 by Tim Considine in his book "The Language of Sport": "aggressively challenging disrespectful or disdainful." His example was "scored with an inyour-face slam dunk."

(A slam dunk, as sports fans know, is not a method of ingesting coffee performed vigorously with a doughnut; it is a basketball term meaning "a forceful dunk shot," in which the ball is dramatically pushed down, or stuffed, into the basket hy a leaping player. You don't see many gentle dunk shots anymore; this is the age of slam.)

Thus has out a my face given rise to in your face. "As a modifier, this phrase has catapulted overnight into the cliche Hall of Fame." writes Allan M. Siegal, the assistant managing editor of The New York

He also comments: "To my ear. it's crude, and that's exactly what recommends it for most of the uses to which it's put. Even if the crudeness doesn't offend, the triteness

Evidence: The Times editorial about the recent primary election, during which Bill Clinton learned that campaigning down New York streets could be a character-building experience, was entitled The In-Your-Face Primary." Governor Jerry Brown, a Times reporter wrote, used 'headlong thetoric well suited to the in your face style of New York politics." In

all the phrase appeared in the newspaper 28 times in a two-month period; editor Siegal's complaint about triteness may slow it down Aggressive, assertive, militari. contentious, combative, belligerent, arrogant — all these words and more are available to us. Not pushy enough for you? Quarrelsome, int-culent, offensive! Slam! Dunk! Dis-

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